

Tehran says US has accepted its terms for freeing hostages

Iran announced early this morning that the United States had accepted its terms for releasing the 52 hostages and that the "trivial" obstacles mentioned last night had been removed in the Algiers negotiations. Transfer of frozen Iranian assets

had begun and Tehran expected the hostages to be freed in the next few days. They are likely to fly home via Algiers and Wiesbaden. Officials in Washington said they expected an agreement to be signed in Algiers within hours.

Agreement expected to be signed in Algiers this morning

Tehran, Monday morning.—The United States has accepted Iran's conditions for releasing the American hostages, who will be freed as soon as a final agreement is signed, Iranian officials announced this morning on Tehran radio.

The transfer of Iranian funds frozen in the United States had already begun, he added. He expected the hostages to be freed within a few days.

He said he had been informed that the accord several minutes before and would give details of it in a press conference here later.

"For Iran the hostages are over," he declared.

Mr Nabavi had said in a statement reported by the Iranian news agency Pars that only a few "trivial" details remained to be worked out before the final accord was reached. These had now been ironed out.

The Iranians had transmitted their answers to the final American proposals, he added.

In Algiers the chief American negotiator, Mr Warren Christopher, went to the Foreign Ministry for the fourth time early this morning and observers said he was to sign the agreement for the release of the hostages. He was accompanied by Mr Harold Saunders, Assistant Secretary of State for Western Hemisphere Affairs, and the American Ambassador to Algiers.

Algerian officials said the official announcement of the agreement would be made simultaneously in Washington and Tehran.

The announcement was expected to be made by President Carter in Washington and at a press conference in Algiers.

"Trivial" obstacles: Earlier in the night Iran had announced that only "trivial points" were blocking total accord with Washington (Tony Allaway writes from Tehran).

But amidst some confusion, there was some speculation in diplomatic circles that the statement by Mr Nabavi, the chief Iranian negotiator, might be an attempt to put last-minute pressure on the United States.

Despite unsupported rumours throughout the day of moves to prepare for the hostages' flight to freedom there was speculation that the Iranians would deny President Carter the reward of returning them during his presidency and leave it until inauguration day on Tuesday or even later.

Mr Nabavi told the official Pars news agency after day-long talks in the Prime Minister's office here that America and Iran had "finally reached agreement on resolving the issue of the hostages." The Iranian Government had "received a response from the United States Government through Algeria for which it had been waiting since Saturday," he went on.

"The United States reply contained points on which both sides had reached agreement."

Mr Nabavi added that "in so far as the Iranian Government was concerned there only remain a number of wholly trivial points which have to be agreed on, and which have been created merely as a result of the miscommunications received in the United States proposals today."

The Iranian Government had "already forwarded the proper replies to the most recent United States proposals" and "as far as Iran was concerned there was absolutely no reason for the stalemate not to reach an eventual solution now."

It was this last sentence that produced a note of extreme



President Carter being briefed by Vice-President Mondale at the White House.

caution from some senior Western diplomats who said it might indicate an attempt to put pressure on the Americans. They noted that while the statement was transmitted, the Algerian Foreign Minister, three times since midnight on Saturday, Mr Benyahia has also been holding regular meetings with the Iranian Charge d'Affaires, Mr Arab Asgari.

Algeria itself throbbed with tension that the hostages would be released at any moment. There were more guards on duty at the airport than any one could remember.

Legal and financial experts, including the two Bank of England officials, have been in almost constant session. Mr Christopher has himself visited Mr Muhammad Benyahia, the Algerian Foreign Minister, three times since midnight on Saturday. Mr Benyahia has also been holding regular meetings with the Iranian Charge d'Affaires, Mr Arab Asgari.

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Nine die in fire at all-night party

By Stewart Tisdler
Crime Reporter

Scotland Yard is investigating the possibility that fire-bombing led to the deaths of nine people at an all-night birthday party in a house in south London early yesterday.

Young West Indians jumped to the street from upper storeys of the house, but others were trapped by smoke and flames.

As forensic scientists and firemen searched the wreckage of the three-storey house in New Cross Road, the police awaited conclusive evidence of arson. The sort of inquiry which is normal in murder cases has been mounted.

The police said last night that a liquid of some kind had been used to assist the spread of the fire.

Several people who left the house before the fire said they saw a white Princess car parked outside and a coloured driver or passenger.

More than 30 people were taken to hospital for treatment and 18 were still detained last night with burns, broken limbs, and shock. Nine people jumped from the second storey of the building and several were severely injured. One person's back was broken.

Three of the injured were transferred during the day from King's College Hospital, Camberwell, to the burns unit at Queen Victoria Hospital, East Grinstead, East Sussex.

The fire spread rapidly from the ground floor upwards. Firemen found five bodies on the top floor and another four on the first.

A crowd of relatives, friends and people from the party waited outside the blackened house all day and the body of one victim, covered by a blanket, still hung from a top window as the back of the building.

The London Fire Brigade said that all three floors were severely damaged.

The fire began as a double birthday party which had lasted all night was coming to an end before dawn. The party was given for Miss Vivienne R. Jackson, aged 18, and held at Miss Jackson's home.

Miss Jackson said that she left for her flat nearby at about 5.30 am. As she walked away from the house, she noticed "a car with a man sitting in the front passenger seat. He was youngish with short hair, and black."

Mr Carl Wright, aged 20, noticed a car about 30 minutes later.

There was a crash, the sound of breaking glass from the front of the house," he said.

"Then I saw the flames. The door was on fire and so were the stairs and the front room. When I left, most of the people were also leaving and quite a lot were on the top floor."

Mr Leslie Morris carried the body of a girl away from the back of the house. "I do not know if she was dead. She must have jumped from the second floor. She was very burnt."

Mr Joseph Hall, who was with Mr Morris, said: "There was a terrible panic inside."

Several men climbed down a drainpipe from the top of the house. When the fire engines arrived, a number of people were rescued by firemen wearing breathing apparatus.

More fire deaths, page 2

Mr Jenkins moves to cement alliance with 'gang of three'

By Fred Emery
Political Editor

Mr Roy Jenkins moved last night to persuade Labour's so-called Gang of Three to speed any break from their party and join him in a new social democratic political grouping that might form an alliance with the Liberals.

Mr Jenkins, who earlier this month returned home from four years as EEC Commission president, met his former Labour Cabinet colleagues, Mrs Shirley Williams, Dr David Owen, and Mr William Rodgers, at Mr Rodgers's home in Kentish Town in north London.

It was the second such meeting in four days, with the others now wishing to include Mr Rodgers who had missed the first while confined at home with a strained back.

The sense of urgency was heightened after Dr Owen, in an independent television interview, had made it clear that he intended making the initiative in sounding out the possibility of a social democratic party.

That was on the assumption that next Saturday's special Labour Party conference agrees to set up a block-voting electoral college for the selection of party leaders, an issue that the Labour right wingers have chosen to make a breaking point.

Dr Owen, however, made clear he would not be rushed by a block-voting election, a view shared by Mrs Williams and Mr Rodgers.

Dr Owen agreed that Mr David Steel, the Liberal leader, must be told by the time of his party conference in September, an indication that the Gang of Three do not wish to act before the local government elections.

It was not disclosed what success Mr Jenkins had with his own similar arguments. But there was little reason to believe that the others had shifted from Dr Owen's stated position.

A poll broadcast with Dr Owen's television appearance suggested that a social democratic-Liberal alliance led by Mrs Shirley Williams would, if a general election were held now, come out ahead of Labour, with the Conservatives in third place. The poll, commissioned from Opinion Research Centre

Continued on page 2, col 5

Bitter Israel campaign likely in July 7 poll

From Christopher Walker
Jerusalem, Jan 18

The demoralized Israeli Cabinet decided today to abandon any remaining hopes of staying in office for its full term and formally agreed by a large majority to press for an early general election on July 7.

Legislation to bring the poll forward from its scheduled date in November will be introduced in the Knesset tomorrow and is expected to win approval by the end of the week. Opposition deputies have been pressing for voting to take place in April or May, but they are likely to be overruled.

According to all reputable Israeli opinion polls, today's decision will hasten the return to power of the Israeli Labour Party, which is expected to win a landslide victory. In recent months some of the opposition have even suggested that the Labour Party could win sufficient seats to form the country's first non-coalition government.

A return to Labour rule will have far reaching consequences for the Middle East. Under the leadership of Mr Shimon Peres, the party favours a less dramatic policy towards the occupied West Bank and is committed to try and negotiate a compromise with Jordan.

Last week, Mr Abba Eban, Labour's foreign affairs spokesman, said a Labour administration would hope to relinquish

military rule over most of the 2,200,000 Palestinians living in the occupied West Bank and the Gaza Strip. But he refused to give a commitment that a future Labour administration would dismantle any of the 85 Jewish settlements which have been built since the land was conquered in 1967.

Mr Eban also said that Labour would reintroduce a number of financial controls in an effort to stem Israel's runaway inflation, now calculated at more than 150 per cent.

Today's Cabinet decision was announced to reporters by Mr Menachem Begin, the Prime Minister, who has defeated a resurgent campaign by a minority of ministerial hard liners who wanted the Government to try and cling to office by making parliamentary deals with independent deputies.

There has been ominous signs that the election campaign will be extremely bitter, with coalition ministers portraying the Labour Party as a future Government which, as one official put it recently, would sell out to Mr Yasser Arafat, the Palestinian leader.

During its remaining months in office, the coalition is expected to restrict Labour's options as much as possible by establishing more settlements in the occupied territories and by increasing financial allocations to those already set up.

Crisis in Israel, page 10

Mr Carter back in White House to supervise finishing touches

By Patrick Brogan
Washington, Jan 18

A full agreement has been reached between Iran and the United States on the release of the American hostages, the Iranian news agency Pars, announced this morning.

The State Department said that there were still some details to be worked out and that they were still waiting for an official communication from Tehran.

All arrangements have been made to give the hostages a proper reception in Wiesbaden, Germany. A delegation including Mr Cyrus Vance, the former Secretary of State, was standing by here to fly out to meet them.

President Carter has returned to Washington from Camp David to supervise the last hours of the long negotiations and there are now high hopes that the release will take place within the next 24 hours.

The announcement was increasingly apparent over the past week that the Iranian Government, for the first time, was seriously bent on reaching a settlement. They seem to believe that they will get better terms from President Carter, who leaves office on Tuesday, than from Mr Ronald Reagan.

The negotiations concern matters like the disposition of interest earned by the Iranian funds that have been frozen in

Wiesbaden hotel beds vacated for officials

Wiesbaden, Jan 18.—Officials at a military hotel adjoining the United States Air Force hospital here were told tonight they would have to evict scores of servicemen to make room for 30 American State Department officials.

The surprise move was another clear sign that the 52 American hostages would be brought to West Germany after their release.

Military sources said dozens of servicemen and their families at the 550-bed Amelia Earhart Hotel would be asked to leave on Monday. Twice before, when hostages from Iran were flown to the hospital, their families were put up at the hotel. However, military sources said to-day relatives of the 52 remaining hostages were being "strongly discouraged" from travelling to Wiesbaden.

Hotel officials said no reporters would be allowed above the ground floor of the hotel, which is less than 50 yards from the three-storey hospital where the hostages were expected to be released.

Mr Cyrus Vance, the former Secretary of State, was one of the government officials expected to stay at the hotel, which normally serves transient military personnel. The servicemen pay only a nominal fee for lodging and are reimbursed.

Coal board considering closure of 25 pits

By Paul Routledge
Labour Editor

The National Coal Board is drawing up plans for widespread colliery closures and production economies to meet the growing effect of the recession on the industry.

Details still being worked out will be given to leaders of the three mining and management unions on February 10. Early calculations suggest that falling consumption will close the loss of at least 25 pits over two years with a loss of 25,000 jobs.

The coal board estimates that demand will fall from 128 million tonnes in 1979-80 to 121 million tonnes in 1983-84, staying at that level until almost the end of the decade.

At the same time, output from Britain's deep mines is rising and coal is going into stock at an unprecedented rate. Stocks are at 38.6 million tonnes, a record for the industry at its present size.

The coal board's financial difficulties are so acute that it is being obliged to ask for prompt payment by customers while delaying settlement of its own bills. Senior executives are

Civil Service Department not to be disbanded

By Peter Hennessy

The Prime Minister has decided not to disband the Civil Service Department and restore its functions to the Treasury from which the department was formed in 1968.

Its survival will be announced shortly in a White Paper replying to a report from the Commons Select Committee on the Treasury and the Civil Service. The committee recommended in December that if the department's performance failed to improve its future should be examined again.

The Prime Minister will endorse the committee's view that the department should "revitalize" itself.

Mrs Margaret Thatcher reached her decision after a meeting with Treasury and Civil Service Department ministers before Christmas. A crucial factor in it was the unwillingness of Sir Geoffrey Howe, Chancellor of the Exchequer, to add to his ministerial responsibilities at the Treasury.

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Mrs McAliskey and husband still seriously ill

From Christopher Thomas
Belfast

The condition of Mrs Bernadette McAliskey and her husband, who were shot at their home in Northern Ireland on Friday, remained serious last night. She is in the Royal Victoria Hospital, Belfast, while Mr McAliskey is in the Musgrave Park Hospital in the city.

The alleged failure of the Government to prosecute the Ulster Defence Association, which was able to plan and carry out the shooting, has been criticized last night by Michael Canavan, law and order spokesman for the Social Democratic and Labour Party.

TUC calls for pension funds to aid industry

The Trades Union Congress is confident that a special union conference on Thursday will accept in principle its recommendation that a National Investment Bank be established to provide capital for industry and proposed that the pension funds make available at least £1,000m. It also proposes that the Government contribute the same amount from public sector revenues from North Sea oil and gas.

Private Papal Mass for Mr Walesa

The Pope, in a gesture usually reserved for heads of state, celebrated a private Mass for Mr Lech Walesa, head of the independent Polish trade union movement Solidarity, and 14 members of his delegation and gave them Communion. Later the Pope had breakfast with the group.

New TV companies face deadline

Two new regional commercial television companies are racing ahead to have studios, staff and programmes ready by January 1 next year. Kenneth Goding has interviewed leading figures from both, Television South West, which ousted Westward, and South-East Communications, beguister of TVS, the new contractor for the South.

China accuses Dutch

China rejected as "intrusive" a statement by the Dutch Prime Minister that he had told Peking about the proposed sale of Dutch submarines to Taiwan. "The fact is that during his visit, neither he nor any member of his delegation mentioned it in any form," a Chinese spokesman said.

£100m to create jobs

Investment projects worth £100m aimed at creating over 2,000 jobs in areas hard-hit by steel closures will be announced soon. The European Coal and Steel Community, which will contribute about six million pounds, is also examining schemes directed at helping small businesses.

Struggle to save injured potholer

Exhausted rescuers were last night inching their way through a narrow passage with a stretcher trying to pull a potholer who on Thursday broke a leg in a rock 11 3/4 miles inside a cave in Id-Wales.

The eighty rescuers, working shifts, said they would be able to get Mr Timothy anagn, aged 28, of Brighton, Sussex, to the surface from the mile-long Aven Allwedd cave until today.

Offer by Mr Nkomo

Mr Joshua Nkomo said his Patriotic Front party had sent a document to Mr Robert Mugabe, the Zimbabwe Prime Minister, that "forms the basis for resolving the impasse caused by the Cabinet reshuffle" in which he was replaced.

Don regrets dispute

Professor Frank Kermode, speaking on the English literature controversy at Cambridge University, regretted that the matter should have surfaced "in a mood of ill temper". He said that not all theoretical work was Marxist or even left wing.

Seamen face dismissal

Ship employers have been recommended to dismiss crews whose industrial action halts sailings. Seamen's ship stewards will decide today whether to strike for two days; this week in pursuit of their rejected pay claim.

More suicides: Figures for England and Wales have shown an annual rise of 3.2 per cent

Berlin: Schmidt telephone conversation about Berlin crisis was tapped.

Classified advertisements: Personal, pages 20, 22; Appointments, 8, 14, 20; Property, 8; Reader services guide, 19

Home News 2, 3; Court 12; European News 3; Engagements 12; Overseas News 4; Farming 12; Arts 3; Features 5, 10; Book review 9; Letters 11, 14; Business 13-18; Obituary 12; Parliament 12; TV & Radio 5-7; Property 12; Religion 12; 25 Years Ago 12; Sale Room 12; Weather 2; Science 12; Snow reports 7.

THE NEWS

New TV companies racing against deadline

Three weeks ago, amid a flurry of mostly inaccurate predictions, the Independent Broadcasting Authority introduced three new sets of initials into the commercial television scene: TVS, TSW and TV-AM, denoting that the Southern and Westward companies had lost their franchises and that breakfast television was to be a fact from 1983.

Since that fateful Sunday, the two new regional contractors for the South and South-east and the South-west have been getting down to the task of setting up the services. The IBA decided they deserved to run. A key leading figure from each has been talking Kenneth Gilling about how they are racing against time to have the studios, the staffs and the programmes ready by January 1, 1983, the start of the new eight-year contract period.

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Mr. Peter Battle: "A damned good team."



Mr. James Gattward: Work will "explode" in July.

has to consider, he says, is whether to go on with Worzel Gummidge, assuming that the man of straw is still in demand next year.

No decision there; but it is pledged to a special hour for children every evening during the week. It also wants to promote a programme to make acceptable hours.

It was a practitioners' application, and winning the franchise was a big thrill, tempered with the thought of the work to be done, he said. The group will start to expand next month and "explode" in July with the start of the new stockpiling programmes; but the spearhead of the attack will be the 11 hours of news and current affairs to be presented each week.

Given a successful outcome to negotiations, the present small studio at Dover will be closed and used only for training; TVS will have what Mr. Gattward calls a "presence" in Brighton, although quite what that has yet to be decided.

Mr. Gattward says the new South-east part of the region, which reaches up to the outskirts of London, will be persuaded to switch their aerials from Crystal Palace to Bluebell Hill so as to get their new local station next January.

"This is going to be an enormous task," Mr. Gattward says. The company is taking on an area which will have a potential audience of the size which the two million more than Southern's present maximum.

While he emphasizes the regional nature of the company and its programmes, Mr. Gattward sees the prospect of a place in the national table as a distinct possibility.

"In today's economic climate it would be in the interests of the big companies to look for more support to the larger regions."

TVS plans have been well publicized. Mr. Gattward sees a great potential in the area. Cricketers in the South may see TVS setting up a challenge cup competition, and with so much yachting, this could be another sport to receive support from the new station.

Mr. Gattward, of TVS, has been a television director and producer for 21 years, being responsible for the successful Minder series. His last screen credits will appear next month when he does the West End Tales series for ATV. One of the big questions the company

WEST EUROPE

China accuses Dutch premier of lying over submarines deal

By Our Foreign Staff

The Chinese Foreign Ministry yesterday rejected as "untrue" a statement by Mr. Andreas van Agt, the Dutch Prime Minister, that he had told China about the proposed Dutch sale of submarines to Taiwan.

Mr. van Agt had said that he had told China, informally, of the proposed sale during his visit to Peking in October.

It is shocking indeed that the Dutch side wants to defend its wrong decision by such means," a spokesman for the Foreign Ministry was quoted by the New China news agency as saying (Agence-France-Press reports).

The allegation by Mr. van Agt at a press conference that China did not threaten to take any punitive measures was untrue, the spokesman said. "The fact is that during his visit to China last October, neither the Prime Minister himself nor any other member of his party mentioned the Dutch Government's intention to sell submarines to Taiwan on any occasion or in any form."

China has used the submarines issue to attack the coming American Administration by accusing Mr. Reagan's advisers of giving Holland their approval of the sale by the Rijn-Schelde-Verolme company of Rotterdam.

The New China news agency said that such an attempt by any country,

big or small and superpowers included, to create "two Chinas" which, it said, was the effect of the Dutch decision.

Mr. Reagan was criticized for inviting representatives of the national government in Taiwan to his inaugural ceremonies on Tuesday—a gesture that was an "important step" towards re-establishing official relations between Washington and Taipei, the agency said.

Official links between the two capitals were ended on January 1, 1979, when Washington normalized its relations with Peking.

While emphasizing that Peking will judge Mr. Reagan by his actions rather than by statements before his inauguration, China has used its differences with The Netherlands to issue its strong line to the new Administration.

In the meantime, China threatened to downgrade diplomatic representation with The Netherlands to chargé d'affaires level from the ambassadorial status established after the normalization of relations in 1972.

The Chinese Chargé d'Affaires in The Hague was told of the Dutch decision to maintain the sale during an hour-long meeting on Saturday with Mr. Chris Van Der Klaauw, the Dutch Foreign Minister. Observers now feel it is inevitable that both sides' ambassadors will return home.

Schmidt telephone talk on Berlin crisis was tapped

From Gretel Spitzer

Berlin, Jan 18

Investigations into the origins of a tape recording of a conversation between the West Berlin Senator and the West German Chancellor, Helmut Schmidt, the West German Chancellor, and Senator Peter Gloger, a Social Democratic Party official in Bonn, continued all weekend.

How and where the telephone line on which they were talking had been tapped has not yet been discovered. The tape also contained conversations between a Berlin journalist and Herr Klaus Bölling, the future

West German envoy to East Germany.

The tape was found in the snow in front of the building where the Berlin daily Abendzeitung is published after the paper had been told where to look by an anonymous caller on Friday night. The matter is being investigated by the Berlin Office for the Protection of the State.

The conversation between Herr Schmidt and Herr Gloger discussed by name possible successors to Herr Dietrich Stobbe, the Chief Burgomaster, who resigned last week.

ETA kills retired policeman

From Harry Debeus

Madrid, Jan 18

Basque separatists have taken responsibility for the assassination of a retired police officer at the weekend in the northern coastal city of San Sebastian. They did so in a telephone call to a newspaper.

The victim was Sub-Lieutenant Leopoldo Garcia Madariaga, aged 53, a native of the south-eastern city of Malaga but resident in San Sebastian since 1943.

In Valencia, there were conflicting reports today whether the kidnappers of one of Spain's richest businessmen had established contact with the family regarding a ransom. A man with a Basque accent reportedly told police on Friday by telephone that the political-military wing of the ETA carried out the abduction and wanted 200m pesetas (more than £1m) ransom.

Police were still uncertain at the weekend, however, whether the abduction was the work of Basque extremists or common criminals. Señor Luis Suárez Vazquez, aged 71, was lured out of his office at one of his factories in Alcor, near Valencia, last Tuesday night by a gang of hooded gunmen.

In Leon, police were pessimistic about the chances of finding a 19-month-old boy who disappeared when his parents' car was stolen while the child was asleep on the back seat. The car was later found without the boy, Antonio Calvin Kodil.

French law makes rabbit breeders hopping mad

From Our Own Correspondent

Paris, Jan 18

French rabbit breeders and butchers are hopping mad about a new directive from the Ministry of Agriculture. With one new regulation—the breeders see it—the men from the ministry are seeking to end a tradition going back to the splendid reign of Henry IV (1553-1610).

Until the turn of the year that tradition was on view in every poultryer and game dealer's window in every market place. It was the little tab of fur, left, along with the feet, on every rabbit carcass hung up for sale.

When the housewife decided that rabbit pie was on the menu for the evening meal, she could study the fur and judge from its colour and length whether it was going to be a tasty and tender enough piece of meat.

The butcher found the feet very useful, too. It gave him something to hang round with string so that he could hang the carcasses up easily to display. All in all, breeder, butcher and housewife appeared to be quite happy about keeping the tradition.

It was not, however, the way that the Ministry of Agriculture began to see it. As their inspectors—ever more vigilant with EEC regulations—began to study the carcasses, they found the furry feet were, in fact, a health hazard.

The French veterinary practitioners' union has backed up the findings, even when well washed, they say, the feet can contain the carcasses and transmit a number of microbes or serious diseases.

A year ago, therefore, the Ministry of Agriculture warned the rabbit men that they would have to change their ways and the new regulation came into effect with the New Year. Although prewarned, they are furious.

Mr. Pierre Vincent, the national secretary of the Action and Defence Committee for Poultryers, said this week that rabbits had been sold with their feet since the days of Henry IV and there was no evidence at all that anybody had ever died as a result.

Striking a more chauvinistic pose, he pointed out that the only way the public could tell at a glance a fine French rabbit from an imported bunny was by looking at its feet.

Many members of the group have now returned their voting cards—essential for someone to vote in a French election—as a sign of protest. Meanwhile, a black rabbit market is said to have started up at Rungis, the main Paris market. Footless carcasses are difficult to sell there even though their price is falling. On the other hand, rabbits of the kind that Henry IV would have recognized are changing hands at 10 per cent above the going rate.



Mme Marguerite Yourcenar: Her admission to the Académie Française posed a problem of dress.

Académie surrenders to its 'Immortelle'

From Our Correspondent

Paris, Jan 18

Marguerite Yourcenar, the writer, made her first appearance and speech last Thursday at the Académie Française, nine months after she was elected to be the first woman member of this last bastion of French misogyny.

It was her unofficial reception into the 345-year-old institution, to be followed by the official welcome ceremony this Thursday attended by President Giscard d'Estaing and open to the public.

The Belgian-born writer previously held American citizenship but a year ago was granted French nationality, to which she has the right through her mother and which is a condition for membership of the academy.

At this first contact with her fellow immortals, Mme Yourcenar charmed the male gathering by her voluble language and depth of culture. The rift between the shocked old guard and the younger generation of academicians over the election of a woman seems to have been settled. Illustrious female writers including George Sand, Countess Anne de Noailles and

Collette failed to gain admission because of their sex.

During the first session Mme Yourcenar also took part in the basic work of the academy, the revision of the French dictionary, of which each word is currently discussed. The use of the word *follement* can take weeks or even months.

Apart from the misogyny of her fellow academicians Mme Yourcenar has as the first female immortal a dress problem to solve. For the official ceremony members wear a costume which is not strictly a uniform since the colour of the embroidery on the black jacket can vary. It is completed by a black cape and a bicorne.

For Mme Yourcenar, Yves Saint Laurent created her outfit, a long black velvet skirt, a black velvet coat trimmed in brown, a white blouse and a black shawl recalling the men's cape. Instead of the traditional sword, given to new members usually by his admirers, Mme Yourcenar was presented with a gold coin pendant with the effigy of the Emperor Hadrian because of her best known historical novel *Memoirs of Hadrian*.

Houses plan to oust parish leaders out

Christopher Warman

Local Government

Correspondent

Nearly a thousand villagers in Henham in Essex are withdrawing local representation after resignation of the members of the Henham Parish Council after a planning decision.

The situation has arisen because of a decision by the council, based at Saffron Walden, has approved a housing development much to the distaste of both the parish councillors and the villagers.

It is believed that this is the first time a whole council has resigned in such circumstances, and it has left Mr. J. F. Vernon, chief executive of Uttlesford, in a difficult position. He has decided that the parish move as left casual vacancies, which will advertise in due course that new elections can be held.

If that happens, the nine members of the parish council, seven men and two women, would, having made their protest, stand again.

The sensitive matter at issue the district council's decision to proceed with the development of 16 houses on land adjoining the village school. The development is for a self-build scheme on housing land, and a district council says the noise is no more than usual.

Henham council after discussing it with the interested parties and collecting more than 100 signatures in protest, failed to oppose the development. The parish council objected to the proposed development of too great density and the proximity of the village and its inevitable traffic would produce a traffic hazard, addition, it said, an understanding by the previous Saffron Walden rural district council in development would be reversed for old people's housing had been ignored.

All nine members of the council concluded that they did not in any way enjoy confidence of the Uttlesford council, and resigned. Mr. Vernon believed that the parish councillors had overreacted because the land was slated for housing.

Charities plead for VAT exemption

Eight charities yesterday appealed to the Prime Minister, as her personal contribution to the International Year of Disabled People, to be relieved of the crushing burden of value-added tax which costs them £1m annually.

In a letter to Mrs Margaret Thatcher the charities say: "The virtual doubling of VAT in June, 1979, from 8 per cent to 15 per cent has already compelled us to reduce or limit our services."

Unless the burden of VAT is removed, further cuts or limitations will be forced upon us. This will bring inconvenience and hardship to those whom we try to help and inevitably make some people dependent on the already overburdened services of local authorities."

The charities point out that the Government has given a significant concession to non-profit making bodies for sport or physical recreation.

"We cannot believe that the

Government would put sports or physical competitions above the desperate needs of a handicapped child or elderly person."

Besides the Spastics Society, the charities which made the appeal are: Dr. Gordon's, Help the Aged, the National Children's Home, the National Society for Mentally Handicapped Children and Adults, the Royal National Institute for the Blind, the Royal National Institute for the Deaf, and the Save the Children Fund.

Suicide rate rising by 3.2% a year

By Nicholas Timmins

The number of suicides in England and Wales is rising, but there are signs that the growth in attempted suicide is slowing down. A report published today by the Office of Health Economics, which is financed by the drug industry, says:

The fall in the suicide rate of one third during the 1960s and early 1970s has been reversed, the report says. Provisional estimates for 1979 show 4,192 suicides in England and Wales, 500 more than in 1975. Suicide is the leading cause of death in the 15-24 age group, however, suggests that admissions for non-fatal drug overdoses fell in 1978 and 1979 by 16 per cent and 12 per cent respectively; such a trend has still to be confirmed at national level.

The possible decline in deliberate self poisoning is one of the few optimistic notes in the report, which says it can offer no clear explanation of the rise in the suicide rate of 3.2 per cent a year since 1975, or why cases of non-fatal self poisoning may be falling.

Between 1961 and 1977, hospital admissions for deliberate non-fatal overdoses rose by 10 per cent a year, to 100,000 cases annually, costing the National Health Service about £20m a year in 1977.

The rise in suicides is worrying, the report says, but it is still unclear why it has occurred. The previous suicide peak in Britain came in 1932-33, the worst years of economic depression. But the report says that to suggest a causal relationship between suicide and unemployment would be misleading.

Suicide and deliberate self harm. (Office of Health Economics, 12 Whitehall, London SW1A 2DY. 6pp.)

Sex warning on some drugs

Some tranquillizers, sedatives, appetite suppressants, opiates, barbiturates, anti-depressants and the contraceptive pill could reduce the sexual drive in some people, Dr. Richard Pearson, consultant physician at the Victoria Hospital in Worsnop, Nottinghamshire, writes in the latest issue of *Mims Magazine*, a prescribing guide for doctors.

The side effect could cause such loss of sexual drive that it might persist after the drug has been withdrawn, he says.

Doctors and computer users concerned over delay in data protection laws

Frances Gibb

Doctors and computer users

concerned over delay in data protection laws

representations to Whitehall

over growing Government

legislation on privacy

data protection.

The British Medical Association and the Institute of Data

Processing Management are

extremely concerned that there

has been no policy statement

from the ad hoc committee

set up in 1978 that legislation

needed as a matter of

urgency.

Concern has been in-

creased by a report in *The*

Times on December 22 that Mr

am Whitelaw, the Home

Secretary, had told a meeting

of Conservative backbenchers that no such statement would be made for months.

Both the medical profession and computer industry are among those worst affected by the lack of action on privacy law, despite a Council of Europe convention on data protection Britain is due to sign at the end of this month.

The British Medical Association said the delay was extremely disturbing. "We believe that when patients give medical information they should know it is protected in some way."

If a patient gave information of a medical or personal nature, such as how many abortions or

previous pregnancies she had had, the information was held by the doctor in trust and should only be used for his or her clinical care.

"But if there are no laws and regulations, there is no guarantee that this information will not be used somewhere else."

The BMA would make further representations to Sir Henry Yellowlees, Chief Medical Officer of Health.

The Institute of Data Processing Management which has 4,500 members, is to make representations to the Home Office because of the commercial damage caused by the delay.

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VOLVO

Thinking about refugees and the night the Arabs attacked our friendly kibbutz

Stories about refugees seldom fail to move us. It makes no difference at least it should not—whether the refugees are one hears about are victims of natural disasters, of aggression by an invading army, or of political or racial persecution. Refugees deserve unstinted help even if, under an irresponsible leadership, they had set out to make refugees of another people and failing, ended up being refugees themselves, as is the case with the Palestinians. The only measure or should be—the degree of their suffering.

Nothing brings to life so powerfully the suffering of refugees as a well-narrated personal account. It not only makes the recipient share the experience vicariously, but also closes the distance in time and place between the actual experience and its recounting.

Robert Fisk has written for this newspaper a series of articles based on interviews with Palestinian refugees who, after all this time, still dream and live in hope of regaining one day the property they owned 32 years ago in what is now Israel. The stories are, in parts, intensely moving: even some of the Israeli tenants who now live in those houses were apparently deeply stirred when Robert Fisk told them those stories.

Thus the human tragedy of the situation touches every heart and need not necessarily be diminished by such facts as the Arabs having started the war against Israel, and that many hapless Palestinian refugees have been deliberately kept by the Arabs in crowded, dirty camps in Jordan, Lebanon, and Syria, where they have been living without hope and with nothing better to do than dream of what they had lost and grow resentful.

I grew up on Mount Carmel, Haifa. My family has been living in the land since 1812, which is a good deal longer than many Palestinian Arabs. From where we lived you could see the Arab village of Kabbabir on the ridge across a deep wadi. The white dome of its mosque stood out against a horizon of sea and sky like a dazzling marshmallow. We kids used to play on the open hillside which was then covered in shrubs, stunted oaks, and carob trees.

We used to see the people of Kabbabir come on their donkeys to sell eggs and olive oil and to shop. Their attitude towards the Jews reflected the ups and downs in the general Arab-Jewish relations during the last years of the British Mandate: sometimes they were friendly, other times they were dangerous.

Now Kabbabir no longer exists. There are sprawling suburbs where it stood. Our house is still there, somewhat worse for wear. Had the Arabs won in 1948 Kabbabir would still be there but our house probably would not, nor its inhabitants alive.

Later I lived in kibbutz Mishmar Ha'emek, in Jezreel. Not far away were three Arab villages: Abu Shusha on one side, and Upper and Lower Rubaya on the other. The people from all three villages were on friendly terms with the kibbutz. They came regularly to have their corn ground in the kibbutz's mill, and for medical treatment. Often the kibbutz would send tractors to do a particularly difficult job in any one of the villages. On our nature study walks, we used to pass through the villages and exchange greetings.

Then, early in 1948 the villagers stopped coming; relations became tense. By mid-March the villagers were seen to be leaving the area with their belongings and sniper shots into the kibbutz from the surrounding hills became a daily hazard. During the first days of April, Fawzi Kaukji at the head of his Arab Liberation Army, took up positions in the two Rubayas and Abu Shusha, and trained his artillery on Mishmar Ha'emek.

The attack began on the night of April 4. I remember it as though it were yesterday. We were sitting down to supper when the father of one of the boys, who was on guard duty that night, came in and told us to eat our food and then go to another house which was stronger and where our twin class lived. Our house was built of brick and had a sloping tile roof. Most of the children went off immediately. I stayed behind with the teacher and four other children, one of them a girl whom I disliked intensely.

I was just tucking into the pudding when the first shell exploded. We rushed to the dormitory and crawled under the beds. The bombardment intensified with every moment. I had never heard such a noise before and I remember thinking that the whole kibbutz must be blown to bits. We were familiar with the sound of small arms shots; all the kids knew the names of the various weapons, and that the kibbutz had only rifles, pistols, a few "Stan guns" and two machine guns. None of us had ever heard cannons before, and we were frightened. It was dark and we could not hear one another or the teacher for the noise.

When at last there was a lull, two men came to conduct us to where the other children were. Holding hands we

walked nervously across the darkened kibbutz, past bomb craters, broken trees, and smashed houses. The fighting continued throughout the night. By morning stories were reaching us that so-and-so was killed and so-and-so seriously wounded. The older boys and girls began to organise us in groups, in case we should be needed to help in the defence. We were no longer frightened: morale was high. The next evening reinforcement arrived from the neighbouring kibbutzim, and two days later we children were evacuated by British armoured cars to kibbutz Mizra some distance away—a truck had been agreed upon between the British and Kaukji for that purpose.

Only much later I learnt what a close thing it had been. Mishmar Ha'emek, heavily outnumbered and outgunned, was saved not so much by the courage of its defenders as by the unbelievable incompetence of Kaukji and his much vaunted Arab Liberation Army. There is little doubt that had Kaukji attacked in full force on the morning of April 5, Mishmar Ha'emek would have fallen. On April 14 he withdrew defeated but not before issuing a communiqué that Mishmar Ha'emek was in Arab hands and all the Jews killed.

Today, with Israel's reputation in decline, it seems that any attack on her in fair game for the media: Israel's occupation of the West Bank has been described as excessively oppressive; there have been accusations of torture; Zionism has been loaded with all sorts of unpleasant associations. And now, with the revival of Palestinian Arabs' claims of property inside Israel, the fundamental legitimacy of the Jewish state has been challenged.

It is in this context that the battle of Mishmar Ha'emek takes on a special significance. The kibbutz had not only possessed any Arab of his land; it never threatened the Arabs of Abu Shusha and the two Rubayas; no Jew ever intimidated them, shot at them or told them to leave their villages. It does not take a great feat of imagination to know what would have happened to the people of Mishmar Ha'emek had Kaukji won the battle. Or, for that matter, what would have happened to the Jews in Israel had the Arabs achieved victory.

One thing is certain: had the Arabs won, such Jews as survived would not have been languishing ever since in refugee camps nearby. And there would have been no one today to take up their claims or lament their fate.

Elon Saknon

The author is Editor of The Jewish Observer.

View from Westminster

The national obstacles delaying a common EEC citizenship

Since its early days, the European Community has continuously debated and amended its provisions governing the "right of establishment" and movement of EEC nationals (mainly workers) in other member states. The issue has become more complex and sensitive with the enlargement of the Community and the growth of economic ties. Invariably, Community regulations and directives have tended to lag behind changing circumstances, but, the history of EEC legislation reveals strenuous efforts to move forward where possible.

The original statute was contained in Article 52 of the Treaty of Rome, both for individuals and companies. It deals with the carrying on of a profession or business by the national of one member state in another, by means of "establishment" there. It also applies to a national of one member state, resident in another, who wishes to set up business in the state of his nationality. Wage and salary earners are covered by the provisions relating to the free movement of labour (article 48).

The founding members of the EEC had correctly anticipated that movement of people, services and capital must go hand in hand with proper residency rights. To this end, article 48 gives the "right to stay in a member state... in accordance with the provisions... of that state". In essence, the EEC Treaty has attempted to secure non-discrimination for people subject to a contract of employment.

Going a step further, the Commission proposed last year to lay down rights of residence for non-working people. So far nationals of member states who wished to reside permanently in another member state, without pursuing any economic activity there, came under the general rules applicable to foreign nationals. They were treated as nationals of the discretionary power of the host country.

aimed at broadening the existing legislation, was restricted to questions of movement and residence. They included the right to leave the territory (Article 2), entry documents (Article 3), a renewal of residence to be based on the ability of self-sustenance (Article 8) and social security benefits to be determined by the accepting country.

In essence then, this draft directive attempted to outline the rights mainly of retired people, those of independent means and students. This was a much more radical idea than the right "merely" to work. Hence when this draft directive was brought before the national parliaments the reaction among the newer members was not altogether enthusiastic. For example, the House of Commons Seventeenth Report from the Select Committee on European Legislation of the 1979-80 session expressed concern that: "The instrument would appear to cause difficulties for the United Kingdom over the requirement that the host member state should be satisfied that other nationals have adequate resources to support themselves, and that this condition must be satisfied for a period of five years."

The national parliaments are understandably concerned at the influx of immigrants, especially those unemployed. The EEC has persisted, nevertheless, with the efforts to get complete integration. Last spring the European Parliament strongly urged the national parliaments to support and accept free movement of EEC nationals as integral to the development of the European Community into a "community of citizens". "Citizens have the right to choose freely their place of residence," was the leitmotif.

However, the national parliaments of the member states are reluctant to pursue a speedy course towards complete integration. This behaviour is thwarting a central EEC goal; namely, in the European Parliament too, British MPs expressed the view that there was no justification for moving ahead with the EEC in the face of its ostensibly dwindling public support.

cal juncture. Since 1968, disemployment based on nationality has been formally eliminated in the areas of employment, remuneration and working conditions. Community migrants no longer need work permits; their residence permits (five years at least) are automatically renewed; and residence permits they can remain in the host country.

The European Commission is also encouraging collaboration between national employment services and is organising exchanges between officials specializing in job placement. In addition, SEDOC (the European system for exchange of information about vacancies) should permit information on available jobs and qualifications required in the time Community countries to be exchanged by the end of this year.

Meanwhile, variations in exchange rates or differing national tax systems can cause problems for migrant workers. At the end of 1979 the Commission proposed coordinating national tax legislation and the principle of taxation according to residence, with deductions at source, at the place of work.

For members of professions requiring special diplomas, in particular the liberal professions, real mobility requires measures to ensure the mutual recognition of national diplomas. On this basis, freedom of establishment and exercise of profession has already been ensured for the majority of medical professions (doctors, nurses, dentists, veterinary surgeons, and soon midwives) and to lawyers, without transferring their practices to represent clients anywhere in the Community. Similar measures are being considered for architects, engineers and pharmacists. Civil servants are not included in these developments.

The Community's position on social security is to ensure the same protection for migrants from other Community countries and families as for nationals, and to ensure the same minimum length of employment provisions (for example, for unemployment benefits). For pensioners, the aggregation of periods of insurance attained in different Community countries can be guaranteed. The same is true for remittance of payments. A retired Italian, for example, can draw his German pension in Germany or Italy. The family of the migrant worker will, in case of illness, benefit from

the social protection of their country of residence, whether it is the host country or the migrant's country of origin. These rights would of course be available as much for United Kingdom workers elsewhere as the other way round.

On trade union rights, since 1975 intra-Community migrants have enjoyed equal rights over affiliation to trade union organizations and the exercise of most union rights. The European Commission wishes to eliminate restrictions and to guarantee a migrant worker the right to participate—as a trade union delegate—in the management of public organizations or in the exercise of public functions.

Political rights are more difficult; with the exception of migrants employed in Ireland, and of the Irish and Commonwealth citizens employed in the United Kingdom, Community migrant workers are excluded from exercising civic and political rights in their host countries. They are therefore unable directly to influence decisions concerning their living conditions. The European Commission has declared itself to be in favour of their participation in local elections. Meanwhile the fledgling EEC passport is a long way still from realization. Nationalism stalks virtually every member government on this long overdue development.

It is apparent that the legislative organs of the European Community still have a long way to go to solve the problems of residency associated with hesitant and reluctant national parliaments. The future may prove to be even more challenging as the recession persists. Undoubtedly the rapid development of sophisticated international and transnational telecommunications, and much greater automation of factories, will further complicate the issue of establishment.

There is a hard struggle ahead for all those who wish to see the emergence of workers and others who can justifiably start calling themselves citizens of the Community, as well as of their own countries. And since we have higher unemployment in Britain, the struggle here should be especially tough.

Hugh Dykes

The author is Conservative MP for Harrow East and chairman of the Conservative Group for Europe.

SPORT

Skiing

Downhill is uphill all the way for the world's fastest slalom man

Kitzbühel, Jan 18.—Ingemar Stenmark swept to victory with a superb second run at the World Cup slalom of the season here today. The cool 23-year-old Swede, languishing in sixth place with 52.61sec after the first run, secured an impressive 2.55sec of the second for a combined time of 1:04.47 sec. Vladimir Andreev, of the Soviet Union, was second, 1.41.12 (52.14 and 48.98) and Christian Orlowski, of Austria, third with 1:41.34 (52.46 and 48.88).

Stenmark's wife hoisted him into second place in the World Cup standings behind Peter Mueller of Switzerland, but ahead of Phil Mahke, of the United States, Franz Klammer, of Austria, was the surprise leader after the first leg, so the weather changed, so did the luck. Gruber missed a start in the second run and was disqualified.

Some top names, including Peter Popangelov, of Bulgaria, and Andreas Wenzel, of Liechtenstein, also dropped out. But the unusually icy conditions helped relative outsiders, including the fourth-placed Roberto Grigis, of Italy, to finish in the top 10.

Grigis, a virtual unknown, said: "I did well in the first run but was too nervous in the second. But fourth place is marvelous. I'll now try to get good results to be able to start in the first group."

Gruber shrugged off his disqualification, saying: "I was not nervous. I made a silly mistake and gave victory away. An experienced skier, I know. I know how I did it. In the first run I did not attack enough but I decided to go all out in the second."

Stenmark, who made his first downhill appearance yesterday to come 34th and earn a 10th place in the 1980-81 season, was not race downhill again. His rivals no doubt wish he took the same way about his victory.

Andreev said: "I don't know whether I'll ever be able to beat Stenmark. He is a very fast skier. Stenmark is able to win when he decides to."

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Stenmark: the Swede has the world goggle-eyed in wonder.

Stenmark set times of 52.61sec and 48.98 on the two legs, tracks for a total of 1:04.47sec. Andreev had times of 52.14 and 48.98, for an aggregate of 1:41.12. Orlowski's times were 52.46 and 48.88 for 1:41.34.

There was heavy snow during the second leg but the place was cleared by the ski patrol. Gruber, of Austria, who led after the first leg, missed a gate and was disqualified.

LEADERSHIP: 1. Stenmark, 52.61 (52.61); 2. Andreev, 52.14 (52.14); 3. Orlowski, 52.46 (52.46); 4. Gruber, 52.46 (52.46); 5. Gruber, 52.46 (52.46); 6. Gruber, 52.46 (52.46); 7. Gruber, 52.46 (52.46); 8. Gruber, 52.46 (52.46); 9. Gruber, 52.46 (52.46); 10. Gruber, 52.46 (52.46).

NEW ZEALAND'S fielding tips the scale

From Dilip Rao
Brisbane, Jan 18
Considering the size of New Zealand's score, the margin of 122 runs in this World Series Cup match at the Gabba was not emphatic. Nevertheless the win, their third in five matches, was a victory.

New Zealand are now assured of meeting Australia in the best-of-five series. The series began last night after Australia and India have finished their second Test match. The first fourth and fifth matches of the series will be played under floodlights in Sydney and the other two in Melbourne.

In today's match batsmen on both sides prepared themselves for a depth in the opposing attack. New Zealand were better able to manage because their fielders gave support to the batsmen. India's attack was not as effective as they had hoped. The Indians came out to bat from another end, but their batsmen were not as good as the New Zealand batsmen. Gavaskar was run out and

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Cross country

Now Jones sets himself new targets

By Paul Harrison

Wales won twice at the week-end in the gladiatorial rugby arena of the National Stadium, Cardiff and in the more muted atmosphere of Western Park, Leicester. These Steve Jones, second in from Ebbw Vale, summoned up enough Welsh spirit to win the CAU Inter-Counties cross-country championship, sponsored by British West, including not only 400 or so other runners but also the cloying mud and a stalling wind. He mastered the three-lap course of seven and a half miles in 36 minutes 0.6 seconds.

Jones, who is in the RAF, put his telling burst after the first lap. After the others pulled off, Roger Hackney, also in the RAF, held on only to fall back after another burst in the last lap. Hackney, who had been in the first lap, was churning on remorselessly. Hackney faded, to finish fourth with Steve Kenyon (Leicester) second in 36 mins 38sec and Tim Hinchings of Sussex third.

Jones had been nursing a strain at the last of a knee and had taken it easy for the past couple of weeks. Now he aims himself at the Welsh championship on February 21 and after that the world cross-country championships, in which he has been in the top 12 for the past three years. He has a good record in the Inter-Counties; winning at Luton in 1979 and being second at Derby in 1978. The team side won the Inter-Counties, who beat Yorkshire, the reigning champions.

There was hope for the future in the junior and youths events. In the junior race, over six miles, David Lewis, a 19-year-old, was second in 21 mins 10sec, outdistancing the field to retain his title in 32 mins 16sec. Lewis, the Lancashire senior champion, was chosen to represent the county in 1979 and last year won the Loughborough University student who will go for distinction in the next year. Then the seniors had better watch out.

After recovering from a stress fracture of the ankle which kept him out all last summer, Lewis does not consider himself fit yet and put his victory down to a combination of the weather and the field. Down the field, in eighteenth place was Steve Cragg, running for the North Essex. Cragg, who is 1.500 metres faster than the runner in some preparation for the track this summer. The youths race, over 3 miles, was won by Jonathan Richards, aged 16, from Cambridgeshire, who won in 21 mins 0.6sec.

SENIOR (7½ miles): 1. S. Jones (Leicester), 36:06; 2. R. Hackney (RAF), 36:38; 3. S. Kenyon (Leicester), 36:58; 4. T. Hinchings (Sussex), 37:08; 5. S. Kenyon (Leicester), 37:08; 6. S. Kenyon (Leicester), 37:08; 7. S. Kenyon (Leicester), 37:08; 8. S. Kenyon (Leicester), 37:08; 9. S. Kenyon (Leicester), 37:08; 10. S. Kenyon (Leicester), 37:08.

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THE ARTS

Indian films in quest of originality

The scene might have been staged by Cecil B. De Mille. The wide stairs leading to the heavy swing doors of the Vignan Bhavan, the main auditorium of the eighth International Film Festival of India held in Delhi, was crowded with eager filmgoers straining their way into the dark. The word had gone round that *The Sahib*, a Spanish-Swedish film, was particularly sexy. A huge crowd wanted to see it and, as there were no places left, they invaded the cinema.

The same happened at the second performance. The crowd pressed its way up the stairs to meet police with batons drawn. The following evening the screening of a Hungarian film was abandoned when the hall was hijacked by shouting protesters who had been locked out. Not able to see the film from the beginning, they made sure that no one else could see it either.

The dramatic scenes were due, in the main, to bureaucratic bungling, whereby more places were promised than seats available. But the pressure behind that evident high demand tells a great deal about the state of cinema in India.

Cinema is the most important mass medium in India. Television is only available in the major cities and attracts, at most, just 20 per cent of the population. The film industry, mainly based in Bombay and Madras, is one of the largest industries in the developing world and, according to the Indian government, employs about a million people.

India's cinema scenes are dominated by an aggressive and repetitive film formula, rather like variety shows in the early days of ITV. There must be a strong dramatic theme, a song and dance sequence, colourful backdrops, extravagant acting, exciting music and swashbuckling violence. There is plenty of sex, but no bare flesh. Even kissing is taboo.

Few cinemas show foreign films. There is no Gate, no Electric, no NFI, no Ritzy. One rare chance to see international cinema is at the film festival and there are not enough seats to go round. This rarified climate has an effect on Indian film makers. They must cater for an audience which is only used to watching long, noisy films. An Indian director of quality films must either adapt the formula to his own ends or work for a small audience.

Film directors may also be handicapped by their ignorance of foreign films. Apart from those who have worked abroad or the few lucky students at the film school at Pune, the film maker must start from scratch and make his own mistakes. Without access to foreign films, they must base their work upon the popular epics and the films

of the Indian masters, principally Satyajit Ray, Mrinal Sen and Shyam Benegal, whose work is more in demand and on show abroad than it is in India.

The International Film Festival of India presents a good, comprehensive selection of the best of world cinema, hence the high demand for seats. More interesting to a European eye, however, is the Indian Panorama, a collection of the most accomplished Indian films which largely ignores the Bombay-Madras output in favour of the extraordinary and original.

A film like B. G. Bhargava's *Lorry*, for instance, has all the clichés of the standard commercial epic-musical interludes, dancing and a love affair between a lorry driver and an under-age girl with a bust like Jane Russell—but is eligible because it portrays one of India's most embarrassing problems: the kidnapping of children and their mutilation by beggar kings.

K. Viswanath's *Sankarabharanam* (*The Jewel of Shiva*) also lifts itself above its popular devices by attempting to introduce a mass audience to classical Indian music in the form of the usual treacly, rhapsodic songs. It does not entirely succeed, but it is a step in the right direction.

Other films, more appealing to the intellect, dispense with the Indian popular form and confront contemporary issues. The links between politicians, big business and the trade unions in Bombay are revealed by Saeed Mirza's *What Makes Albert Pinto Angry* and Jabbar Patel's *Sinhason* (*The Throne*).

Mirza's film is ambitious, explaining by popular means a complex political thesis about the maintenance of the status quo. His sharp observations of the vanities and self-delusion of a young worker and the pressures on a family during a strike of Bombay mill workers are convincing and gripping. The film's message is clear and the film itself is a masterpiece of the genre. But some bald political statements, particularly a series of blunt interviews with strikers, diminished the strength of its argument.

Sinhason also makes corruption in Bombay and applies to it the dubious critical tools of the comedy thriller. It condemns insider dealing between selfish politicians and no less selfish trade union leaders by ridiculing the way the do business with each other. Dr Patel is determined to keep the message of his films accessible to a wide audience, which sometimes means diluting his purpose by too light a touch. *Sinhason* is a far more intractable



Rholia Shabar, grown up into a Santhal rebel, in Utpalendu Chakrabarti's *Moyna Tadanra* (Post Mortem)

problem in *Chakra* (*Vicious Circle*) when he sets a domestic drama in the slums of Bombay. By making the characters warm and understandable, in the tradition of a soap opera, he runs the risk of making life in those gap-site packing-cases appear more tolerable than it is.

The dangers of insatiable conditions, poor food, no medical assistance, no education and the arbitrary violence dished out by the bestial police are made clear and the film itself is a masterpiece of the genre. But some bald political statements, particularly a series of blunt interviews with strikers, diminished the strength of its argument.

The usual concern of the most acclaimed Indian directors has been life in the Indian countryside. The model laid down by Ray, Sen and others is one which state funding for film makers prefers to encourage. But this trend has its shortcomings.

One young film maker, on being refused money to make a film on a subject he knew, cynically chose a story set among tribals in Kerala, with Hindi actors, backed up to age the darker skins of the south, acting the lives of people

they neither appreciated nor understood. But many of the best films shown in Delhi this year concerned themselves with rural India and its simple population.

It came as no surprise that *Akrosh* (*Cry of the Wounded*), by Govind Nihalani, should look better than most others. He was an advertising cameraman before photographing all of Shyam Benegal's films since *Ankur*. And he is currently the second unit director on Sir Richard Attenborough's *Life of Gandhi*.

His film explores at length the injustice dealt out to an ignorant, frightened tribal, framed for the death of his wife, who was raped, then murdered by a trio of local dignitaries. It brings home the horror of rape and the diminution of the sexual crimes against women which are reported in the Indian press daily. The popular Indian cinema repeatedly portrays this routine domestic violence, but, to its shame, seldom condemns it and tacitly condones it by using it as a spicy addition to a tame story.

Also well constructed, though flawed by visual gimmickry, is Dilip Roy's *Ghosts for Sale*, a Bengali version of Santhi Gangopadhyay's book *Shudh*, about a man who returns to his village to expurgate the superstition behind which the killers of his father are hiding.

But the most satisfactory, both visually and in content, was Utpalendu Chakrabarti's *Moyna Tadanra* (*Post Mortem*), a splendidly photographed film about a man who refuses to be employed to subjugate his own kind and, for his pains, is imprisoned, maltreated and finally dies of starvation.

It is good looking, has a strong narrative drive and has an authenticity explained by the three years Chakrabarti spent in the West Bengal, Bihar, Orissa border area as a self-appointed worker among the tribals. The fine quality of this feature debut rests upon Chakrabarti's thorough knowledge of his subject and a confident mastery of photography, learnt apparently from his father, a cinematographer.

Nicholas Wapshott

Book review

Clouds and constellations

The National Front
By Nigel Fielding
(Routledge & Kegan Paul, £12.50)

Prospective readers attracted to this book by the striking photograph on the cover of Union Jacks at a National Front Remembrance Day parade would be well advised to take heed of the note on the front flap that it is aimed primarily at students of the sociology of deviance.

Those unfamiliar with that particular academic speciality will find the book heavy going. Two sentences in the first paragraph give a taste of the style to come:

Atomism has been made to reconstruct the perceptual world in which the deviant marries in order to appreciate more fully his deviance. Such an interpretative sociology is informed by such analysis as Schur's distinction between first and second order constructs.

Similar obfuscations cloud much of Dr Fielding's analysis of the National Front. He talks, for example, of "constellations of lay belief" when he means what ordinary members of the movement are thinking. If such language is normal among lecturers at Hendon Police College, where he taught until recently, it is not surprising that our poor constabulary find it so hard to express themselves in simple English.

It was inevitable that the National Front would sooner or later find themselves the object of serious academic study. In fact, Dr Fielding's book is a curious mixture of reportage, based on his own attendance at meetings and demonstrations, and sociology.

The result is not very successful. Dr Fielding's personal observations do not give as vivid a picture of the National

Front's style and membership as Martin Walker's more journalistic account published in 1977. They also suffer from being out of date. The interviews on which the book is based were conducted in 1974 and 1975 when the Front was arguably at the height of its power and before it had succumbed to the factionalism which has since seriously weakened it.

There remains a need for a major sociological study of the National Front. It would be interesting to know more, for example, about the motivation of the young "skinheads" who joined in its heyday and about the class distribution of its membership. Dr Fielding touches on this latter area but he does not have enough data to provide a comprehensive picture of the movement. Perhaps others will now follow.

Ian Bradley

Peter Grimes
St John's

William Mann

Thirty-five years on, Benjamin Britten's *Peter Grimes* must be counted a popular favourite. So I judged from the queue at the box-office and the full house in St John's, Smith Square, on Saturday night for a concert performance by Abbey Opera, which is proud of its amateur basis, though casts are regularly strengthened with young professional opera singers, and the title role in this *Peter Grimes* was being sung by Alberto Remedios.

The performance confirmed, if anybody doubted it, that *Grimes* is a stage work, a real part of whose quality is missed

in concert presentation. We wanted to see the Boar Inn, lashed by the storm whenever somebody opened the door, and the latercomers to marins eavesdropping on Grimes "as his exercise", and the fisherman's hut on the cliffs. Only in the theatre do we appreciate how the drama proceeds inexorably from one episode to the next.

Remedios, too, needs the stage. His Grimes was beautifully sung, especially "Now the Great Bear and Pleiades", never in danger of being swamped by the large chorus and full orchestra immediately behind him. I did lack dramatic impact: I would guess that on stage his Grimes is closer to Vickers than to Pears, but could not be sure from the dinner-jacketed, well-behaved singer, one eye on his music-desk.

own points: no coyness about her trusting behaviour at the beginning, no humming in the mad scene, but every note struck firm and true. Her own contribution lay in giving it all a sure focus and phrasing.

That is something which Michael Corbett needs to develop for his Albrecht. He supports her well but without making a positive enough impact yet. Consequently he tended to be overshadowed by another newcomer in the third leading role, Denis Bonner giving an unusual and sharp interpretation of Hilarion.

Bonner makes him quicker-witted than most, but with a timidity that holds him back at first. Once he does screw himself up to act, he does so with a ferocity and incisiveness which make him entirely frightening. Susan Crow's kindly but firm playing of Giselle's mother was notable, too.

The production, restored to the repertoire for the tour, just beginning, is in good condition, with the corps de ballet making a particularly fine impression in their ensembles of the second act. Stephen Lade conducted a sympathetic account of Adam's romantic score.

Except for the soloists, the company's men have little to do in *Giselle*, so David Binley's Polonia makes an apt curtain-raiser, with its vigorous entries for an individualized group of eight men. For once, the women have to accept second place, but they make their contribution with a pleasing gravity, including June Highwood on this occasion in the featured role.

The programme cover bears a reminder that Sadler's Wells and the Royal Ballet both celebrate jubilees this year. Happy the company so mature and so youthfully fresh.

Giselle
Gaumont,
Southampton

John Percival

Sherilyn Kennedy's first *Giselle*, which she danced at Gaumont, Southampton, on Saturday, had the sweet clarity she has consistently brought to her roles. Perhaps there seems, at present, slightly less individuality than she showed, for instance, in *Lise* or *Swanilda*, but that could be primarily because Peter Wright's production for Sadler's Wells Royal Ballet is so logically laid out that it needs no gloss from its heroine.

The virtues of her performance, which were almost as much negative as positive: they lay in avoiding exaggeration and letting the baller make its

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Pianist/conductor's tough choice

ECO/Ashkenazy
Festival Hall/Radio 3

Paul Griffiths

Vladimir Ashkenazy's seriousness of purpose in transforming himself from pianist into conductor was made evident in his concert with the English Chamber Orchestra on Saturday night when he chose two of the toughest pieces in the string orchestral repertoire. Beethoven's *Grosse Fuge* and Schoenberg's *Transfigured Night*. That he is still equally serious at the piano was proved by his performance of what is superficially one of Mozart's more lightweight concertos, the C major K.415.

Mr Ashkenazy would not let

it get away with being merely pleasant. In the first movement, he kept the rhythm tight to bring an urgent thrust to the front. Unfortunately, however, the ECO's band of two dozen was just not right for the work. One wants either the heroism of single combatants or the grandeur of masses, not a compromise that inevitably seemed puny despite the force expended.

The Schoenberg, by contrast, gained a quite particular character from the same moderate resources, losing its

opulence and dynamic charge to become fragile, pale and nostalgic. It almost sounded like Delius but was no less moving for that.

A time to write 'dichotomy'

Rugby International
BBC 1

Miles Kingdon

Fran Cotton, the burly England forward who limped off in the first half of the England-Wales match, sat stolidly by the touch line. Dusty Hare kicked a penalty. The camera closed in on Cotton. "Fran Cotton is absolutely brilliant," burred Bill McLaren. Cotton's impassive face opened into a huge yawn.

I don't think I've ever used the word "dichotomy" in print before, but there is no other to describe the split between what we were seeing and what the English and Welsh thought they were seeing. As a sporting event, the game was a dreary series of blunders, infringements, kicks and spoiling 15

minutes by a flash of talent. As an international encounter, the similarity of two mediocre sides ensured a constantly changing score-line which gave it all the excitement of a months in the Great War during which the trenches went forward and back 100 yards at a time. The Welsh victory was about as significant as the capture of a tree in no-man's land.

So far of the match was undoubtedly Mr Anderson, the Scottish referee, who had most of the play. By applying rules stringently he was forced to halt the game whenever one side looked like getting the limelight, and engineered most of the scoring with his long-observed observation of infringements. "The referee must have spotted something there," said Bill, every time another three points were notched up and the crowd roared their approval, as if

something talented had just happened. The game should have been perfect for me, as I wanted both sides to win. After living 20 years in Wales, I ended up a Welsh supporter. Being English, I hoped England would win too. As an admirer of rugby I couldn't have cared less who won. The trouble with rugby, as with British Rail, is that both set themselves wonderfully high standards but do not have the tools for the job. At its best rugby is fast, rough and exhilarating (so is British Rail), but its best is way beyond it at the moment, and most of the available talent is channelled into using the laws of rugby to its own advantage, even down to off-side traps. God save us. I think I shall remain an adopted Welsh supporter but only of the national soccer side. At least they run with the ball and pass the whole time.

Rock should 'stand for something'

Boomtown Rats
Hammersmith Odeon

Richard Williams

There is something deeply implausible about the Boomtown Rats. A harsh judgement, perhaps, particularly after seeing them whip the Odeon into a frenzy on Saturday night, but their performance renewed old doubts.

It might be thought to be asking too much from a rock group that it should "stand for something". Nowadays, however, almost every worthwhile artist in the field has a discernible and distinctive view of the world: only the Sheena Eastons and the Cliff Richards can get away with the old pure-pop innocence. Bob Geldof, the

Boomtown Rats' singer and composer, loudly insists that he belongs in the bigger league, alongside the Costellos and the Morrisons, the Byrnes and the Springsteens. The evidence appears to rest on his say-so.

The Boomtown Rats have no musical originality, therefore they can have nothing to say. A message breeds a medium of its own, but all Bob Geldof wants is an idealized mixture of Jagger's raffishness, Costello's acuity and Springsteen's big heart. What he achieves is the artificiality of a Steve Harley. The elements are jumbled, never synthesized; to whom, exactly, are we listening?

Their reductions of Springsteen's urban dramas are particularly odious. Listening to the concert version of "Rat Trap", which topped the charts a couple of years ago while the nation was ignoring Spring-

steen's incomparably finer "Badlands", reminded me of Woodworth's old Embassy label, on which disc-jockey back-purveyed instant re-creations of the early masterpieces of pop. They saved you a couple of bob, but they always missed the point. Now the catchpenny philosophizing of "Badana Republic" reaches the top five while "Hungry Heart" stalls and dies.

Oh, the Boomtown Rats put on a show all right, and the hyped-up run-in earned the encores efficiently, but their turgid, stereotyped arrangements are all that five-faced musicians can deliver, and Bob Geldof's voice remains a puny, blaring instrument. In the end, even his Irish charm seems thoroughly bogus, the calculated product of his craving for media stardom. The Boomtown Rats are a cartoon of a modern rock group; they have no heart.

PAUL MAZURSKY'S
WINE & SPIRITS
STARTS THURSDAY
RITZ CATHEDRAL
EXCLUSIVE SCENE
5.15pm - 6.15pm

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Mr. Begin, tired and lacking concentration.

From Camp David on, one long series of crises for Mr Begin

Jerusalem. Elected in May 1977 as the first non-Labour government in Israel's history, Mr. Begin's right-wing Likud coalition has always suffered from internal strains. These became progressively harder to conceal in the succession of crises which have marred the Government's performance since it reached the peak of popularity in March 1979, with the signing of the Camp David treaty.

In the event, it was the relatively mundane issue of teachers' pay which caused the final collapse. But in the past two years the topics which have threatened to bring the downfall of the coalition have ranged from attempts to prevent the sale of pork in residential districts to a bizarre Bill limiting the rights of Israeli doctors to perform autopsies.

In recent months, opinion polls have demonstrated that the Likud has become dangerously isolated from the mass of the electorate. Its ability to provoke bitter resentment among many respected Jews was illustrated recently in a scathing article written by Mr. Gideon Rafael, a former Director-General of the Foreign Ministry.

"The country is covered with the debris of the Government's failures," he wrote in the *Jerusalem Post*. "Record inflation and growing unemployment endanger economic and social stability. *Aliyah* (immigration) is drying up, and *perida* (emigration) is flowing. The process of estrangement between Israel and the Diaspora is gathering momentum. The negotiations with Egypt are stalled; and the relations with our friends in the world are in the deep freeze."

The collapse of the coalition's early promise was most clearly marked by the acrimonious departure of the two central figures who had inspired hopes of a change of direction. Mr. Moshe Dayan, the charismatic Foreign Minister and one of the formative influences behind Camp David, was the first to go. He resigned in October 1979 in disgust at the Cabinet's uncompromising stand on the peace negotiations and its lack of flexibility on the key issue of Palestinian autonomy.

The following May he was noisily followed out by the Cabinet by another durable, Mr. Ezer Weizman, who ostensibly left the Defence Ministry in protest at proposed budget cuts. In a savage series of attacks against Mr. Begin, he also made clear that he found the Government's approach far too hawkish to stomach.

The loss of the Likud's two most world-respected figures did not prove immediately fatal; but in the long run, it deprived the coalition of credibility and of the only two members with sufficient political weight to stand up to hardliners like the ultra-nationalist Agriculture and Settlements Minister, Mr. Ariel Sharon.

But from the start, the economy proved to be at the centre of the Likud's problems. An early visit to Jerusalem by Dr. Milton Friedman—whose doctrines were adopted in a random, undisciplined manner—did not help matters. As a result, a so-called "new economic policy" caused inflation to jump from around 40 per cent to its present record level of nearly 200 per cent.

In November, 1979, the ineffective Finance Minister, Mr. Simcha Erlich, was replaced by Mr. Yigal Hurwitz (one of the ministerial opponents of the Camp David treaty), who took office with an extravagantly worded promise to "cut from the living flesh" to remedy Israel's economic ills. But as the coalition's final crisis has again emphasized, he found the individual spending programmes of his politically disunited colleagues too jealously guarded to permit the imposition of the necessary fiscal restraint. Ministers' determination to resist his proposed austerity measures increased as the inevitability of a 1981 election struck home.

All signs are that the future of the West Bank will play a key role in the next election campaign. In recent weeks much energy has been devoted to setting in motion the construction of the final 10 Jewish settlements, which will complete the total of 85 outlined in the Likud's master plan. Asked recently in his office, Mr. Begin was able to change the settlement picture, Mr. Sharon replied with a smile: "It is too late. I have been working hard during the past three years."

Recently the ill health which has dogged Mr. Begin's premiership has begun to take its toll, and visitors to his office, including a delegation of British Conservatives, have found him tired and lacking concentration. He appeared finally to have lost enthusiasm for patching up coalition squabbles.

Discredited at the last by leaks and the strong-willed of scandal in both the Religious Affairs and Interior Ministries, the Likud will not be remembered as one of Israel's most skilful, popular, or internationally admired governments. In its final stages it has been almost reckless in pursuing policies designed to provoke condemnation from friends as well as enemies.

Since last spring the brave achievement of Israel's first peace treaty with an Arab neighbour has been unfortunately tarnished by the inflexible manner in which follow-up negotiations were handled, by the provocative settlement policy and by an unnecessarily harsh military base with a family that has alienated the few remaining moderates among the 1.2 million Palestinians living in the occupied West Bank and Gaza Strip, the area for which form of autonomy is still being sought under the faltering Camp David process.

Christopher Walker

President Carter's farewell address to America last week was in substance important in its own right. But it and its reception also illustrated a profoundly important and depressing theme about the relationship between political leadership and contemporary journalism, highlighting the way the habits and preconceptions of the latter limit and distort the scope of the former.

The retiring President dealt with four of the most deeply serious underlying issues threatening the future of democracy and the globe, at least over the remaining years of this century.

First, he went to the heart of the real dilemmas of contemporary democracy: "Today, as people have become ever more doubtful of the ability of government to deal with our problems, we are increasingly drawn to single-issue groups and special interest organizations to ensure that whatever else happens our own personal views and our own private interests are protected. This... tends to distort our purposes because the national interest is not always the sum of all our single or special interests."

Secondly, he analysed with rare talents and wisdom the most serious threat facing the globe: "The risk of a nuclear conflagration has not lessened... It may only be a matter of time before madness, desperation, greed or miscalculation leads to this terrible force... That is why the United States cannot neglect its military strength... In the event of a nuclear war, the United States and all countries find ways to control and reduce the horrifying danger that is posed by the world's enormous stockpile of nuclear arms."

Thirdly, he emphasized the interdependence and essential unity of mankind: "From that perspective (space) we see our earth as it really is—small and fragile and beautiful blue globe, the only home we have. We see no barriers of race or religion or

country... There are real and growing dangers to our simple and most precious possessions: the air we breathe, the water we drink, and the land which sustains us... If we do not act, the world of the year 2000 will be much less able to sustain life than it is now."

Fourthly, he made no apology for brandishing again the noblest banner of his presidency, the struggle for human rights: "The battle for human rights—at home and abroad—is far from over. We should never be discouraged because the impact of our efforts has had, and will always have, varied results. Rather, we should take pride that the ideals which gave birth to our nation still inspire the hopes of oppressed people around the world. We have no cause for self-righteousness or complacency. But we have every reason to persevere, both within our country and beyond our borders."

These are, indeed, the true issues for humanity. They cannot be accomplished or even contained without wide public understanding and without visible support for those leaders who try to rise above ephemeral preoccupations and parochial temptations to meet the challenge.

Yet the reception of President Carter's address nowhere matched its significance. Indeed, it gives one to wonder how far serious political leadership is possible if, when leaders do tackle fundamental long-term problems in a deeply serious way, the interposition of the prism of journalism—both electronic and print—between leader and people can so easily deflate its impact, trivialize its motives and disregard its significance.

The point at issue was brought into particularly sharp focus by the television commentary which immediately followed President Carter's address, at least on the CBS network. A peculiar leader though familiar person called Mudd appeared on the many millions of screens tuned to this network to tell

us, among other things, that the President, whom we had all just seen, appeared to have grey hair, a deeper voice and a more somber tone (or some such vacuity) than previously and to remind us—after all, almost 10 minutes had elapsed since the start of the speech—that Mr. Carter, having no good news to impart, had dwelt upon his fears and hopes for the future.

The general innuendo of these remarks was clear. CBS, or at least the large Mudd team, was saying that Mr. Carter was an old man, that all this waffle about great issues was a flimsy attempt to cover Mr. Carter's nakedness in regard to great achievements to boast about and that come Tuesday—all of this agony about his superseding and God by the Californian gentry and stylish renascence of the Reagan inauguration.

One fell to wondering what would have been the fate of Britain and of free democracies if Mr. Mudd had been playing his craft on BBC radio in 1940 or, indeed, if his journalistic ancestors had been covering Pericles' funeral oration, Henry V before Agincourt or Abraham Lincoln after Gettysburg.

"Mr. Pericles was looking older today than he did when he was younger." "The King was not able to point to any intelligent reply, his indignation that British forces would be victorious in the anticipated battle." "The President appeared to have assembled his remarks hastily and spoke very briefly, confident that people wouldn't notice or, if they did, would not for long remember his remarks about the difficulties politicians face in fooling people to get re-elected."

"The Prime Minister spoke in a deep voice, was unable to say that Britain was winning the war and referred mainly to his anxieties that there would be a lot of injuries, overtime working, bravement if the perspiration in at least the short-term."

Many will say, of course, that this is a portentous fuss to make about a minor episode and ask why should

anyone care anyway what a President who is about to leave office in six days says or thinks. But bear in mind that those who argue thus are the very same people who have argued for the past four years that we do not have to take seriously anything that Mr. Carter says or does because it is all explained away by the fact that he is running for re-election.

This, indeed, is a basic problem of political leadership in an era of political cynicism: either you are eligible for re-election, in which case everything you say or do is unimportant and insincere for that reason, or you are not, in which case you are a lame duck and everything that you do or say is unimportant and probably ill-intentioned since you are obviously only designing an image for the history books.

None of this proves that effective political leadership is impossible or that political leaders are entitled to blame their failures and misdeeds on the cynicism of the newspapers and television. Mr. Enoch Powell has perceptively said, that is like ships' captains complaining that the sea is rough. But it does pose a question for serious political journalists: namely, how can you be sure of generating content without puncturing idealism or more cynicism, how do you observe the world accurately without changing it?

The answer, perhaps, lies not in any stable rules or formulas of the old facts/opinion kind but in the intent and the conscientiousness of the reporter: scepticism yes, cynicism no; persuasibility yes, gullibility no; satire yes, cruelty no; analysis yes, propaganda no; subjectivity yes, partiality no; balance yes, "middle-of-the-roadism" no; truth yes, conventional wisdom no.

There is, in short, a legitimate and proud role which is neither that of the flannelled fool in the lobby nor that of the muddled old on the screen.

Peter Jay

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A decade of the rascal on his hobby-horse

The *Times* is a paper of record and we take our responsibilities seriously. We note anniversaries and other landmarks in the passage of time. There have been 19 centuries since the death of the Emperor Titus, and nine since the Byzantine Emperor Nicephorus III abdicated in favour of his 33-year-old general Alexius Comnenus, who proceeded to reign for the next 37 years. A century ago the Tsar of All the Russias Alexander II and President Garfield of the United States were assassinated within a few days of each other.

Today at a less pompous level we celebrate an anniversary of our own at New Printing House Square. Since Bernard Evans wrote his first column for *The Times*, if one says: "Archons of Athens, it seems longer", that is not as rude as it sounds. Bernard's opinions and volubility on any subject under the sun (except education, Northern Ireland) and a great many subjects over the moon have been so profuse that it has been calculated that his columns, if stapled end to end, would stretch from Peking to Peru, giggle, exclamation, apoplexy, and joy all along the route.

That first column of January 19, 1971 was on about the postal strike, and introduced a number of characters whom we were to come to know better over the next decade. A Spokesman, Sir Malby Croft, the Post Office, and Bernard's faithful hound, Abdul the Fleetfooted, putting dubbin on his sandals even as he wrote the words.

It was the beginning of a 10-year campaign to scotch us out of the reasonable gravity that must be the habitual frame of mind of *Times* readers. But Man/Woman, not even *Times* Reader or *Homo Temporarius* Lector, cannot live by gravity alone. The *Times* is mainly a serious, objective newspaper that takes itself seriously. Young Bernard on his cherishes of hobby-horses and white chargers, cantering all over the centre page three times a week, brought a refreshing breath of subjectivity, passion, irreverence, humour, and mischief to those stately columns. In a way he replaced something that had been missing since we dropped the Fourth Leader and the Court Page causerie on such subjects as the Lepidoptera of the Lower Himalayas. But Bernard did it in a sharper and more personal style.

Over the 10 years we have learned the remarkable geography of Bernard's mind, on everything from cats to the Gas Board, and from lawyers to tyranny in all its forms. He has helped to form the tastes of his readers, because in it of his most vivid life is to convey a sense of joy in music, painting, even haute cuisine. I understand and enjoy Wagner more, thank's to Bernard's amateur enthusiasm.

He too has changed over the years, from coming to like the *Tales of Hoffmann* to taking an increasingly gloomy view of politics, the approach of the Dark Ages. He no longer carried me with him into the wider realms of mysticism—those alarming and disastrous gurus. His role is not to persuade but to stimulate, entertain, and provoke.

Considering his astonishing productivity week in week out over 10 years, the quality remains astonishingly high. He is the most professional of entertainers and prophets. On occasion I think his pieces could be improved by being scolded down a mile. But in the same way that, as reader, I cannot conceive civilized existence without *The Times*, so I cannot imagine *The Times* without the rascal on his hobby-horse of the day trotting down the centre page.

Gabriel Ronay

Philip Howard

The strange lady of Bayeux

has succeeded where generations of historians had failed in identifying her because "the clue lies in the scene's iconography."

In the Aelfgyva scene, a priest touches her face indicating some unspecified sexual impropriety, according to McNulty's theory. "The face-fondling gesture was for centuries charged with sexual meaning. It continued to be used in the art of later centuries where it was sometimes combined with gestures even more explicitly sexual. The designer of the tapestry emphasizes the sexual symbolism of the scene several ways. The mimicking naked figure clearly marks the scene as lewd," Dr. McNulty states.

He goes on to claim that the scene reflects a contemporary rumour recorded by Florence of Worcester, that Queen Aelfgyva, unable to bear a son, acquired the new-born infant begotten by a priest and persuaded Canute that this was his boy.

Canute made one of the boys, Swen, King of Norway and the other, Harold Harefoot, King of England. By discrediting their legitimacy, the Normans implied that any claim to the throne of England by Norway in 1066 would be null and void because Swen was not Canute's son, so the McNulty theory runs.

Next though this theory may seem, it doesn't bear examination, Dr. McNulty seems aware

that the face-fondling gesture did not actually imply sexual intercourse between Aelfgyva and the priest.

The scene merely hints, according to McNulty's "decoding", that the bastard of a fornicating priest and the son of a cobbler had been passed off as Canute's sons by Aelfgyva. And this complicated allusion would have been above the heads of the illiterate people for whom the tapestry was made in the decade after 1066 to inform them as graphically as possible of the story of Harold's fall and the victory of William.

But the real problem with this theory is that its constituent facts, unproven in themselves, were arbitrarily linked and presented out of context, breaching the narrative's strict chronological order.

To begin with, the real name of Aelfgyva was Emma, born into the Norman ruling house and described because of her beauty by contemporaries as "a gem of a woman". She took the Anglo-Saxon name of Aelfgyva upon her marriage to Aethelred the Unready, but reverted to the use of her Norman name after her first husband's death and her marriage to Canute.

The book she commissioned to praise all her works was duly entitled *Encomium Emmae* and Aelfgyva and it did not concern the alleged sexual impropriety while encompassing

every other issue related to her and Canute's life and times.

Thus the Aelfgyva in the tapestry could hardly have been Canute's widow. But even if, for argument's sake, one is to assume that Aelfgyva-Emma is depicted in the tapestry, her presence at the court of her kinsman William would require a totally different explanation.

Since the Norman draftsman of the tapestry portrayed the events immediately preceding Harold's fall and William's conquest of England in a chronologically continuous succession of scenes, the inclusion of an obscure, 40-year-old rumour in the middle of Harold's enforced stay in Normandy would be totally out of place.

Nor is the linking of the face-fondling scene in the main narrative with the sexual posturing of the two naked rustics in the tapestry's bottom border well founded. The borders along the top and bottom of the Bayeux Tapestry are full of grotesque animal motifs of fables and scenes of everyday life in eleventh century England; ploughing, sowing, hunting, bear-baiting and love-making. No amount of "iconographical" explanation could possibly link these cartoons with the historical narrative in the main section.

Even more significantly, Dr. McNulty's decoding falls down on a most elementary point—the source of the chattering father. The rumour of the sub-

stitution of the cobbler's son for Canute's is central to his theory. He bases his claim on Worcester's Latin account that the boy was begotten by a "sutor" (cobbler). Yet the naked rustic under the Aelfgyva scene is wielding an adze as the symbol of his trade.

After some years research I believe that the scene of the licentious priest and Queen Aelfgyva has no significance for the royal succession. It cannot discredit, as Dr. McNulty would have it, the Norwegian claim to the throne of England because—apart from the fratricidal war between Harold and his brother Tostig backed by the Norwegians at Stamford Bridge—there was no such claim.

The struggle for the crown of England on the eve of 1066 was a three-cornered fight involving Earl Harold, William of Normandy and Edward the Exile, the compromise choice of the Witan and the country. Having unearthed in the annals of Northern and Eastern Europe fresh material evidence about Edward's exile years and the role allotted to him in thwarting the Norman takeover, it became possible to piece together the life and times of the only claimant to the English throne who was not a Norman. But his 40-year Continental odyssey and subsequent murder in London is another story.

Gabriel Ronay

Philip Howard

A PIECE OF UNFINISHED BUSINESS

As it looks optimistically to the new Reagan era, America is still wiping up the leftovers from four presidencies ago. Some 400 miles south-east of the inaugural pomp in Washington, the only man accused of treason in the Vietnam war sits gloomily in a small military courtroom lined with mock wood-panelling, expecting the jury's verdict within a month.

Many prisoners of war in Vietnam signed statements criticising American policy, more or less under duress. The Administration decided not to prosecute, partly to avoid reigniting the passions excited by the war.

The alleged offences of Marine Private First Class Robert Garwood were, according to his military prosecutors, of a different order. The charges are that, after his capture in 1965, he wore enemy uniform, carried enemy arms, urged Americans to lay down their arms, accepted a commission in the North Vietnamese army and libellated two American prisoners by striking and spitting on them.

The marine authorities felt obliged to prosecute because of the ferocity of the accusations

made against Garwood by returning prisoners of war, who had resented his close association with their captors—even speaking their language. Garwood stayed in Vietnam after most other prisoners had been repatriated, returning only in 1979, after delivering a note to a visiting businessman indicating his desire to go home.

Though a pathetic figure now, he is unpopular with other marines at the large base of Camp Lejeune, North Carolina, where his court martial is taking place. Many make offensive gestures as he drives through the camp in his scarlet 1956 Chevrolet. He is at liberty during the court martial, living off base with a family that has taken pity on him.

Garwood's lawyers have not seriously challenged the facts as stated by prosecution witnesses, mostly former prisoners. His defence is that he "acted under duress" and that a mental illness prevented him from recognizing that he was doing anything wrong.

Because the state of his mind is the main issue, much important evidence for the defence has been of a psychological nature. Last week the prisoner, five lawyers, the judge, the

five-man jury and about two dozen observers and reporters sat in the stuffy courtroom and listened to Garwood's mental condition being defined in such words as "anxious dissociative reaction" and "post-traumatic stress syndrome". There was discussion of the significance of the fact that, when one of Garwood's feet was rubbed with a blunt instrument, his toes splayed out rather than curled in.

It is therefore, a low-key, clinical trial, with none of the histrionics associated with time court-martials as depicted in Hollywood pictures. The main defence witness was Colonel James Corcoran, chief psychiatrist at the Air Force School of Medicine in Texas—a dapper, fast-talking, owl-like man with rimless spectacles.

He testified that factors including Garwood's impoverished childhood, his backwardness at school, family difficulties and, later, injuries and brainwashing at the hands of the Vietnamese had made him incapable of knowing the significance of his actions when he collaborated with the enemy.

"We're not talking about a moral issue here, a moral code;

we're talking about somebody who had a brain defect," he said. "I don't think he was aware at a conscious level what was happening to him."

Equally, one wonders whether he really knows what is happening to him now. He sits next to his lawyers with a flat, sullen expression. He scarcely changes, occasionally lowering his eyes to examine his clasped hands. He has a fleshy, sallow

face and thinning jet-black hair.

On his uniform are the stripes of his rank, his long-service stripes, a row of ribbons and a silver sharpshooter's medal. He sits at the apex of a V, with the five lawyers on his left and the five marine officers who make up the jury on his right.

The jurors' medal ribbons stretch half way up their shoulders. Two are bald, three wear glasses and one bears an unsettling resemblance to the accused.

There are seldom more than half a dozen reporters in the press room, with two or three more watching the proceedings on closed circuit television in the press room in an adjacent building, speculating casually on how much Garwood might get paid for the film rights to his exploits. The American press has not reported this case in as much detail as its unique quarters would suggest it deserves, and overseas reporters have been scarce at all.

Another surprise is that no committee have been formed in support of Garwood. Rem-

ember, who is not trying to justify his actions morally, as a true anti-war hero.

It is impossible to judge how the psychological intricacies of the defence case are impressing the five jurors who sit impassively, yawning occasionally. The junior of the two prosecution lawyers, Captain Teresa Wright, was doing a clever job of cross-examining Colonel Corcoran when I was there. She has a homespun yet doggedly persistent interrogatory style.

"I'm a Texas-bred and bred young lady myself," she told me when I mentioned a Texas college where she had studied. Several times she used the Southern construction: "I want to visit with you about..." meaning: "I want to talk to you about..."

Her early questions seemed directed at making the point, for the benefit of an all-marine jury, that Colonel Corcoran was from the Air Force, a "different service", why, she wondered, had it been necessary to go outside the Marines to find a psychiatrist willing to testify that Garwood was unable to tell right from wrong? From the fairly cheap attempt to exploit inter-service

rivalry, her cross-examination improved when it reached the core of the defence case. She went through the charges one by one, asking the psychiatrist how Garwood thought he had acted, whether what he thought he did was wrong, whether he now thought what he did was wrong, whether he now thinks that the acts he is accused of are wrong, and whether, if he had done the acts he is accused of, he would at the time have thought them wrong.

Although cross-examining psychiatrist ought, on the face of it, to be among the most difficult tasks for a trial lawyer, Captain Wright did succeed in confusing Colonel Corcoran once or twice to the extent that he gave opposite answers to the same question.

The most recent similar case to have received wide publicity was that of Patricia Hearst, the newspaper heiress who helped rob banks while under the control of guerrillas who had kidnapped her. Her defence, though, rested more heavily on the argument that she was coerced into committing crimes than that she did not appreciate that they were crimes. Garwood's lawyers do say he was coerced on some occasions, but

they are relying more on the defence of mental incapacity.

Patricia Hearst lost her case, and Garwood during the trial is any guide, he does not have much confidence in winning his. Assuming he is capable of any such logical reasoning, he must know that a jury of five marine officers are likely to take little account of medical mumbo-jumbo, preferring the simplistic view that he did it and ought to be punished, if only as a warning to prisoners in future wars who might be tempted to succumb to enemy blandishments.

"Does he now believe that what he is accused of is wrong?" Captain Wright persisted. She received another, equivocal answer, but the question brought to mind a larger and more interesting issue which is not being addressed at all at the court martial. Does the United States now believe or acknowledge that its adventure in Vietnam was a costly and foolhardy enterprise in which thousands of American lives were needlessly lost? A five-man jury might find that one even tougher to file on.

Michael Leapman



DR OWEN ON THE BRINK

He did not quite commit himself to making the break at Saturday's special Labour Party conference as expected, only to initiating discussions with others of like persuasion; but it was plain enough from all Dr David Owen said on television yesterday that the question has become for him when and how, not whether. The timing and manner of any rupture, present problems, and the potential defectors from Labour to a separate social democratic future do not all see the problems in the same way. Yet if they are to move at all they had better make a concerted move.

In the context of the thirty-five years of post-war political history the prospect for a new party formed out of elements of established parties looks forlorn. The carapace of the party whether Conservative, Labour or Liberal remained hard and thick, whatever may have been happening to the organs within. Only the smallest splinters have become detached, and then lost sight of in the undergrowth. But during the previous century or more of party politics in Britain the state of things was much more fluid. Great issues like the tax on corn, the union with Ireland, tariff reform, coalition, split parties and precipitated strategic alliances. The post-war experience of the tough mould of parties is the exception on a longer view, and it ought not to be assumed that it is permanent.

The outcome of the conference on Saturday, summoned to amend the rules for electing a party leader, will offer a convenient pretext for breaking with the Labour Party for any who now judge it to be irreformably dominated by a malevolent left. The issue before the conference is of less weight than those issues over which the social democrats have been battling with diminishing confidence of success: unilateralism, membership of the EEC, programmes of state ownership. A provision which admits others than members of parliament to a share in the election of the party leader cannot be denounced as anti-democratic in principle in view of the instances of it to be found working satisfactorily abroad—not to mention the Liberal Party, the putative ally of the new social democrats. But in the present state of the Labour Party and with the admission to the election, through trade union block votes, of people who may not even belong to the party or have its interests at heart, the change is objectionable enough to trigger revolt.

There is much to be said for moving quickly and decisively now if a move is seriously intended. Mr David Steel will find it more, not less, difficult as time goes by to defeat from his party the kind of electoral arrangements that the social democrats will need for their survival in the first election fought under their own banner. Also 1981 is likely to be a good year electorally for the Labour Party not just in seats won in the local elections but in the contest for shifting political opinion; mounting unemployment and at best a sluggish recovery of output is good ground for a Labour Opposition and for Mr Michael Foot's style of politics. Whatever their doubts, active members of the Labour Party will be less inclined to jump clear if the party appears to be on a rising trend; and when the next general election begins to cast its shadow before it the argument for staying put will be more persuasive still.

Unless the Labour Party lurches off the rails again immediately, this would appear to be a good opportunity for a social democratic defection as there is likely to be. There is now further confirmation in an opinion poll of the reservoir of support for the idea of a Liberal and social democratic alliance: the latest, for London Weekend Television, makes it the most popular hypothetical political option, an advance on a similar poll published in *The Times* a year ago. And Mr Roy Jenkins is back with time to spare from merchant banking, and that event contributes to an air of expectation. Above all the new men and women of the centre cannot afford to appear to dither. If they do they will fulfil doubts which are entertained about the enterprise.

Equality as strand in 'Croslandism'

From Mrs Anthony Crosland

Sir, Tony Crosland would have been in his grave if he knew Labour right-wingers have begun to use his name to justify actions that he deplored.

The *Times* today (January 16), reporting Mr Ian Wrigglesworth MP's disaffection with the Labour Party, ascribes to Mr Wrigglesworth the view that David Steel's 10-point programme is "entirely social democratic" and "very much in the tradition of the late Mr Anthony Crosland."

When *The Future of Socialism* was first published, "social democratic" and "democratic socialism" were interchangeable phrases. In the 1970s, however, "social democratic"—like "moderate"—came to mean whatever the speaker wanted it to mean. For that reason, in his last years Tony Crosland insisted on the designation "democratic socialist". This phrase too is now being fought over. Therefore I shall use the incontestable word for his brand of democratic socialism: Croslandism.

Two strands of Croslandism are liberty and equality. The third—crucial—strand is equality: "Socialism is basically about equality." In vain have I searched David Steel's 10-point programme for a mention of equality.

Not is equality conspicuous among priorities of some Labour right-wingers, wringing their hands, unable to decide whether they will or will not abandon the Labour Party. Their priorities are their own affair. What is pertinent, however, is that Tony Crosland's name to support actions which were anathema to him. From his standpoint a few of these people years ago "moved so far to the right that they've disappeared from sight."

Yours faithfully,
SUSAN CROSLAND,
Adderbury, Oxfordshire,
January 16.

Practical steps to aid Zimbabwe

From Sir Martin Le Queuse

Sir, Between May, 1979, and March, 1980, Lord Carrington and his colleagues, against all the odds, plucked the flower of an orderly transfer of power in Rhodesia out of the rubble of civil war. But the news these days from Zimbabwe makes it difficult not to fear that, having "won the war," as it were, we are on the way to "losing the peace."

Many, perhaps most, of the problems facing Zimbabwe must be solved by the Zimbabweans themselves. But it begins to seem that the combination of Zimbabwe's own efforts and the conventional aid-giving procedures of her friends (including us) are simply not achieving enough quickly enough. Unless some imaginative new effort is brought to bear quickly by someone on the related problems of training, education, and settling the guerrillas, activating the rural areas, and making a start on training the African craftsmen that industry is going to need to fulfil its potential, Mr Mugabe may not achieve his brave objectives.

Three problems that call for men rather than money for their solution. But they are outside the experience of Zimbabwe's present leaders and administrators and it is not clear that the country simply has enough men of the necessary experience and qualities to tackle them within an acceptable time scale.

We and our friends and allies do have that. It is not that the men for us to offer to Mr Mugabe to take the lead in mounting a crash cooperative programme for a limited period—not more than three years—aimed at reinforcing what the Government and other organisations in the country are already doing?

It is difficult for an outsider to be specific about details. But here are some suggestions for a start:

- 1 From time to time formed units of the Royal Engineers have carried out work of civil engineering in African countries, to the advantage both of themselves and of the inhabitants. Could we not produce eight small teams of sappers (one for each province) who could direct and control groups of guerrilla-trained civil engineers working at scale?

How Soviet icon smuggling works

From Mr C. M. Martin

Sir, The last couple of weeks have seen a spate of articles written about icons and icon smuggling. Having bought and sold many hundreds of icons over the last 10 years, I would like to clarify some points.

1. The majority of icons entering Britain are destined for the auction houses of Sotheby's and Christie's, who sell about five thousand pieces per year.
2. A very small percentage from Russia are fakes. Most of these come from Poland and the Middle East.
3. The Soviet Government under its company, Novexport, sells packing cases of icons unseen, only for Western currency. This is from their store of an estimated one million pieces in a Moscow warehouse.
4. It must be remembered that after the 1917 Revolution religion was banned and all people were ordered to throw their icons on to piles in the town centres and village squares, where they were collected by scavengers, to be delivered to warehouses or destroyed. Many large pieces were used in the repair of houses and barns.
5. To keep an influence in Africa and Latin America, the Soviet Union freely educate two to three million students in their universities. Soviet Union. These subjects for all students is communism.
6. The usual links in the Soviet Union to the West chain begin with a Russian offering icons to a Third World student. Some students will buy these and some will become a go-between with a diplomat. The students will pay a diplomat an agreed amount per case, to carry these pieces out to the West for him. The majority of these cases travel by train to the nearest market, West Berlin, whereupon the diplomats and students are met by dealers and their agents at the station.

Usually a deal is made that day, either in currency or in jeans, scarves or records, for which the student agent has to pay the diplomat a fee to take the cases back into the West. The dealer then sells them for up to 50 times the official exchange rate of the rouble.

7. Some Russians receive copies of London auction catalogues and have agents searching villages for pieces. They usually have arrangements with prominent diplomats who will bribe their way into the London auction houses, to fetch the highest possible price.
8. The future scandal of the supposed fakes from the Hana sale is likely to continue for many years. It is well known that many of these pieces, for which record prices were achieved, had been heavily restored and repainted. The problem is what percentage of an original panel is repainted to classify that piece as genuine or fake.
9. I feel more regard should be given to the restoration of their descriptions regarding restoration. The scandal can only be resolved by the expert cleaning of every piece, from the Hana collection.

Yours faithfully,
C. M. MARTIN,
22 Kensington Church Street,
London, W8.

EXTRAVAGANCE REWARDED

Look now upon this council and on this—neighbours in London, sharing similar problems. In the past two years, Lambeth has increased its staff by more than 1,000; in the same period, Wandsworth has cut its staff by 1,700 (exclusively through voluntary redundancies). Three years ago the rates in Lambeth were lower than they were in Wandsworth; today they are twice as high. Wandsworth, by dint of their third round of spending cuts in three years, hope to prevent next year's rates from rising more than 30 per cent; Lambeth vaunt their intention of raising theirs by twice as much.

Let it never be said that there is too little room for local discretion in our system of local government, when two such different solutions to problems closely similar in kind, if not in degree, can be put into effect on opposite sides of the street. The effects of these politically determined decisions follow naturally, and have been much publicised—in Wandsworth, sharp cuts in services to the disadvantaged and increases in council rents, and in Lambeth wasteful spending on forms of provision little used or appreciated, and indiscriminate subsidy of the needy and those able to pay alike.

If these differences reflected the will of local voters bearing the costs of their choices, the wider public interest in them should go little further than concern at the effect on overall public expenditure if many authorities spent as much as

Lambeth. It is the essence of local democracy that councils should be left as far as possible to justify themselves to their own electors. But this reality of this situation is different in several ways.

Members of both councils are loudly resentful (those in Lambeth more loudly with less reason) of the effects on them of the Government's new block grant system, which comes into effect in the next financial year. The new system, hurried into law before its consequences had been sufficiently studied, appears to be failing in practice to achieve the excellent aims it had in principle. In particular the attempt to reshape the grant to give each council less of an incentive than before to overspend seems to have gone astray. A majority of English councils will still get more grant the more they overspend, while a few with high resources find that, if they do so, their grant falls to nil so rapidly that they are contemplating foregoing it altogether. The Inner London Education Authority, sheltered from a direct relationship with the electorate, is expected to justify its critics by taking a similar irresponsible course.

The political paradoxes of the system are illustrated by Wandsworth and Lambeth. The former, like some similar Tory London boroughs, is unfavourably treated by the formula, in spite of all its thrift. The latter is in a position to propose extravagant increases in spending, and incur a relatively small loss of grant. The

paradox may have some justification in social terms, for Lambeth has the third highest volume of assessed need per head of its council in the country. But the chronic of Conservatives who founded their expectations on the impression the Government gave of its plans is understandable.

Lambeth's good fortune with its grant reinforces the problem of accountability. The new system imposes little restraint on a policy of gross overspending, and the influence of the electorate remains weak because so many households in the borough either enjoy rate rebates, or are tenants whose rates are collected almost "unnoticed" along with their rents; perhaps half the borough's domestic ratepayers are 18 or under of these categories. A growing council payroll swells the number of those with a vested interest in existing policies.

A disproportionate burden of the cost falls on the commercial ratepayers, who have no vote but are able in the last resort to take their jobs and their contributions to the rates elsewhere, to the detriment of the borough's economy. It is even reported that the leader of the council is now urging its employees to strike against government policies and withhold the services supplied at such inordinate cost. This exercise of political caprice financed by national grant and taxation of the disenfranchised is a travesty of local democracy.

Case for economy?

From Mr Philip Holland, MP for Carlton (Conservative)

Sir, The Department of Employment has transferred to the Manpower Services Commission its functions pertaining to unemployment, recruitment, training, and the related statistics.

It has handed over its industrial relations advisory, conciliation and arbitration responsibilities to ACAS and the General Arbitration Committee, and its industrial safety and health regulatory, monitoring and enforcement activities to the Health and Safety Commission.

The department now exists mainly to act as a parliamentary public relations officer for the quangos it has spawned and to issue work permits to immigrants from outside the EEC.

For the performance of these two duties it employs a Cabinet minister, three junior ministers and 22,240 civil servants. The quangos performing the former functions of the department do so with the aid of an additional 24,672 civil servants.

If the quangos are to be retained, then the department can be abolished and its remaining minimal responsibilities taken over by a minister of state at the Department of Industry with a small secretariat to deal with MPs' letters and parliamentary questions.

The fact is that all government activity touching the subject of employment was handed over lock, stock and barrel by the last Labour Government to trade union-dominated quangos. It was the price paid for trade union support for Labour's successive pay freezes.

Sadly, Conservative Government has not yet realised that the Department of Employment has been effectively placed out. A golden opportunity to reduce the size of the executive and the number of bureaucrats has so far been missed.

Conversely, the department could retrieve its raison d'être by abolishing the quangos.

Yours truly,
PHILIP HOLLAND,
House of Commons, SW1,
January 7.

Stained reputation

From the Chancellor of Chichester Cathedral

Sir, It is bad enough to be labelled in a painting (Bernard Levin, January 13) but the situation must be painfully aggravated when the label is attached to a stained glass window inside a consecrated church.

History records that this has indeed happened on at least one occasion. An eminent divine, Dr White Kennett, later to become Bishop of Peterborough, had originally been a stout High Church Tory, but was converted to a more fervent supporter of the Whigs at the time of the Revolution of 1688. He was consequently portrayed as Judas Iscariot in an altarpiece of the Last Supper placed in St Mary's Whitechapel by a Rector who was undoubtedly hostile to the Whigs.

One day Mrs Kennett visited the church and "recognised her husband with indignation and horror," eventually the Bishop of London, acting through his Chancellor, had to order the picture to be removed. At the beginning of this century (and perhaps still to this day) there could be seen apparently in the library of the Society of Antiquaries in Burlington House an engraving of the altarpiece with some unflattering lines in Latin underneath: they ended with the words: *Non similis Judas est tibi; poenitentia* "Judas differs from you; he repented."

There seems to have been almost a fashion in political altarpieces in London at the time; an angel in a picture over the altar of St Clement Danes bore, it was said, an uncanny resemblance to the Princess Clementina, wife of the Old Pretender; and the Bishop of London had to order its removal.

Yours faithfully,
ROGER GREENACRE,
4 Vicars Close,
Chichester,
West Sussex,
January 13.

The Pope in Britain

From the Reverend Dr A. C. J. Phillips

Sir, I entirely agree with the Bishop of Exeter (January 5) that "the hospitality of the cathedral's altar is surely a hospitality to be shared with all Christians who are present at a service of Holy Communion." But if the Pope celebrates Mass at Canterbury, will all present be permitted to communicate?

When, in 1977, the college sought to celebrate the four hundredth anniversary of the martyrdom of St Cuthbert Mayne with a Mass conducted by Bishop Christopher Baines (an Anglican), the Roman Catholic Bishop of Birmingham refused non-Catholics permission to communicate.

This year, in order to avoid hurt to any members of the Christian community in college, we shall commemorate the martyrdom of another college saint, Edmund Campion, with Anglican choral evensong at which Fr Frederick Copleston, SJ (another honorary Fellow), will preach.

Unless all who are present at a service of Holy Communion can

share in it, the celebration cannot become a means of reconciliation but an affront to those denied participation. The issue for Canterbury is not who will celebrate, but who will communicate.

Yours faithfully,
ANTHONY PHILLIPS,
St John's College,
Oxford.

From Mrs Diana Hughes

Sir, I am sorry that I have to inform the Reverend A. P. Baker and others that their statement in *The Times* of January 14, that many had been invited to a Mass at Canterbury Cathedral on Sunday, April 30, 1978.

The clergy of Clifton diocese were invited to celebrate Mass on this memorable occasion.

Also on January 21, Mass will be offered in Bristol Cathedral for the first time since the Reformation. Again the choir of Clifton, and people from the diocese, will be present.

Yours faithfully,
DIANA HUGHES,
32c Downs Park West,
Westbury Park,
Bristol, Avon.

David Wood

Tories face an electoral paradox

Most Conservative backbenchers, like most Conservative party workers, would reason that Mrs Thatcher's winning of a second general election in 1983 or 1984 must turn principally on three factors. First, suicidal constitutional and ideological disputes from top to bottom of the Labour Party, which may lead to rival candidatures and split votes. Secondly, the remapping in good time of constituency boundaries in England, which may be tantamount to a gift of 15 seats or more to the Conservatives. Thirdly, above all, the visible proof in election year that the Government's economic policies have worked.

This article, which may be likened if you wish to a military staff appreciation, deals with the last of these factors. Some members of the Government, and those who advise them about what lies on the other side of the hill, begin to propound a paradox. It may be summarized thus: That the Government's industrial troubles will intensify, rather than fade away, in proportion to the degree of economic success achieved giving the third and fourth years of the life of the present Parliament.

Let me develop the current thinking. The Government's economic record is so far patchy. On one side of the balance sheet the inflation rate shows a consistent fall, exports do surprisingly well in terms of volume despite an uncompetitive strong pound, and month after month the trade balance keeps in the black. On the other side, money stays dear and inhibits investment, several big industries plead to be saved from Carter Strides by the Government, and unemployment steadily rises towards three million.

This rising unemployment and almost daily factory closures have tamed the trade unions, whose leaders increasingly prefer jobs, or pay awards below the rate of in-

flation, to unemployment and short-time working for their members. At last the message preached at some point by all governments since 1945 has begun to get through, without the Government intervening with a statutory pay policy.

It is a question for argument within and outside the Government whether, on present mixed indications, Mrs Thatcher's electoral timetable is likely to be a sound strategy for nation regeneration is on course, and will be seen by most voters to be on course when they turn up at the polling booths to pronounce judgment. Yet assume the timetable, which should be fairly clear in any prime minister's mind from the first parliamentary session onwards, is being kept broadly to the target dates.

In those favourable circumstances Mrs Thatcher, her ministers and her party ought to be able to spend the next year before the election saying they have demonstrably rebuilt the bankrupt country they inherited from Labour in May, 1979, and have turned it into an economic success, however nasty some of the earlier medicine may have been. At that point the troubles of presenting a plausible election cry begins.

Trade unions, or many of them, will no longer be tamed. They will run wild again to pay off old scores. They will say Mrs Thatcher claims success, and that therefore the workers want their dividend on the nail—or else.

The fact that there will still be a level of unemployment much higher than any figure that would have been reckoned politically and socially tolerable will make little or no difference, except in sharpening TUC demands for a shorter working week and options for early retirement.

For, like politicians, trade unionists now know that the 1930s are dead and done with, and that in the brave new world of higher technology and industrial rationalization no government will ever again be capable of battering down unemployment to the Butskellite two-three per cent of the work force. Mr Michael Foot, a 1930s man, will unceasingly make vehement emotional appeals, but he will probably make them in the deaf.

In short, today the boom and gloom economists and polemicians, whatever their motives, have helped Mrs Thatcher and the Government

to hold in check most central leaders of trade unions, as well as the trade union rank and file, where they are syndicalist in factory powers or tactics. Yet it would be a mistake to think they will free for given or forgotten. They await the day of the Government's electoral dilemma—when ministers have to say either that they have succeeded and then run straight into militant wage demands, or that they need another five years to ensure success and then run straight into militant strikes and obstructions.

As a talisman, let me quote from a pamphlet written by Professor Alan Walters, the Prime Minister's new economics adviser. Called *Money and Inflation*, and now out of print, it was published in 1974 by Aims (formerly Aims of Industry) and is much to the point.

"The evidence shows that if the Government reduced the rate of growth of the money supply there would be a reduction in the rate of growth of real output for approximately nine to 20 months later. This would be associated with some increase—perhaps a substantial increase—in the level of unemployment. However, the rate of inflation would begin to go down only after a period of two years, and the substantial effects would be realized only after about four years."

"Any politician who wishes to put before the electorate a policy of monetary restraint can only offer a very hard time for two years, after those years have passed, the economy will begin to grow again, and the rate of inflation will substantially fall. A party that has just secured the reins of power will find it difficult to implement such a policy for at least one year and very probably two. Clearly this is electoral suicide. The electorate have been schooled to expect results 'at a stroke'."

Professor Walters wrote that the only cure was the long and temporarily painful one. The public would become disillusioned; and he calls disillusionment the most fertile ground for the breeding of violent reaction. In 1974 he ended more gloomily than we must hope he felt when he reported the other day to Mrs Thatcher at No. 10: "British democracy and have never been in greater peril."

Money and Inflation now counts as essential reading for politicians for and against monetarism.

Palestinian refugees

From Mr John Stebbing

Sir, A passage about the Palestinian refugees in your edition of January 13 gave a less than fair impression of the present circumstances of these people. It declared: "They are unusual, in being still in camps 32 years after the defeat of Arab forces in 1948, not because it was impossible to settle them elsewhere but because their cause was considered more important than their own individual lives." It is extremely important to correct this impression.

The 1979 report of the Commissioner-General of UNRWA (United Nations Relief and Works Agency) stated that the registered figures of refugees in the West Bank, Gaza Strip, Jordan, Syria and Lebanon totalled just over 1 million. It also estimated that this probably represented about half the world total of Palestinian refugees. The report went on:

"The image still persists of UNRWA providing basic relief services, such as food, clothing and shelter, to a mass of destitute, starving and homeless people. However, only 24.8 per cent of the registered refugees live in camps, while the rest are scattered among the original inhabitants of the Arab host countries and the occupied territories. Initiatives to resettle Palestinian refugees registered refugees or not,

have emigrated to more distant countries in order to make a living.

The 688,000 refugees still in the camps are the least mobile element of the very much larger refugee community, perhaps only 17 per cent of the total. Many have the responsibility for Palestinian children and their education; many are old.

In the Arab host countries refugees have been resettled. In Jordan, more than 500,000 are employed in the camps and large numbers have been accepted as citizens. The opportunities in the West Bank and Gaza Strip camps are at present far more restricted, and it is here that attempts to achieve a Middle East peace will be most difficult.

If secure and recognized boundaries for Israel could be agreed upon, involving the least possible reduction of the West Bank, with an equitable sharing of resources, if fair compensation and generous financial support could be negotiated, there is no limit to the Palestinian reconstructive abilities in both urban and rural areas. The steps towards a proper understanding of this highly capable and essentially peaceful people.

Yours faithfully,
JOHN STEBBING,
Fair Beeches,
Burcot, Oxfordshire,
January 13.

Criminal procedure moves

From Mr Cyril Carr

Sir, Many practising lawyers will have grave misgivings about the restriction upon the right of an arrested person to see his solicitor in precisely those cases (matters of gravity) where it is most important that he does so as soon as possible, which is amongst the recommendations of the Royal Commission on Criminal Procedure. As we study the growing erosion of civil liberties, including the slow death of *habeas corpus*, perhaps the time has come for a major parliamentary initiative. Lord Vade's Bill of Rights would be a useful vehicle but successive governments have jibbed

at such a radical proposal time and again.

Bearing in mind the resources devoted to the offices of the Director of Public Prosecutions and the law officers of the Crown, it would be only at small cost if defendants were given the protection of a defence director's office, which could work in liaison with the Law Society and the Bar Council, and utilize and expand the duty solicitor schemes which have been of considerable help to people who have become entangled with the law for the first time.

Sincerely,
CYRIL CARR,
The Bridge,
Ibbotsons Lane, Liverpool 17.

Calamansack Woods

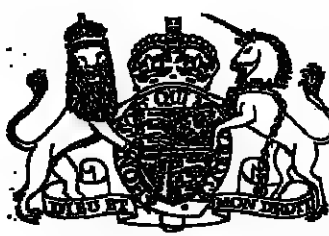
Sir, Your report of December 29 and Mr Ramsley's letter of January 14 have given the conservationists' point of view. Like them I have no wish to see a beloved landscape deadened by a conifer forest; but for as long as I can remember conifers have stood in harmonious contrast to the oakwoods along the shores of Helford, for example at Bosham, Bosloe and Gillan Creeks.

Clara Vyvyan wrote of the microcarpa and Pinus insignis around her home at nearby Trillickmore that they were "self-appointed guardians of the house." The type of conifer to be planted would be as

important as the site and number of the stands. If only to strengthen the conservationists' hand, let us first know the case for planting and the landowner's plan.

Yours truly,
CHARLES WELLS,
38 Church Road,
Whitchurch, Cardiff,
January 14.

A letter on Afghanistan on Saturday was attributed to our early editions to Mr Ron Brown, MP for Hackney, South and Shoreditch (Labour), and others instead of to Mr Ron Brown, MP for Edinburgh, Leith (Labour) and others.



COURT CIRCULAR

SANDRINGHAM
January 18: Divine service was held in Westminster Abbey this morning. The sermon was preached by the Bishop of Norwich.

The Duchess of Kent will visit St Anthony's Hospital in North Chesham, Surrey, on February 3. A service of blessing and remembrance for the lives of Joe and Flora Laycock will be held at Chelsea Old Church today at 3 p.m.

Birthdays today

The Right Rev. S. P. Allison, 74; Major-General Raymond Briggs, 86; Mr Michael Crawford, 39; Lord Glenartha, 69; Sir Alexander Galloway, 70; Lady Mary Maxwell, 76; Mr Nigel Nicholson, 64; Sir Joseph Parnell, 85; Sir Victor Ratnes, 80; the Earl of Wemyss and March, 69.

Forthcoming marriages

Mr P. M. Maynard and Miss S. E. Lyster. The engagement is announced between Peter, son of Air Chief Marshal Sir Nigel and Lady Maynard, of Manor House, Fiddington, Oxfordshire, and Bryony, daughter of Mr and Mrs John Lyster, of Great Prestons, Stock, Essex.

Mr M. T. F. Briggs and Miss E. A. Rogers. The engagement is announced between Michael, son of Captain and Mrs J. W. F. Briggs, of Emsworth, Hampshire, and Beverly Ann, daughter of Mr and Mrs G. A. Rogers, of Highcliffe, Dorset.

Mr S. S. Kenth and Miss N. Punja. The engagement is announced between Harder, youngest son of Mr and Mrs S. Kenth, of Ealing, and Naitai, youngest daughter of Mr A. Punja and the late Mrs K. Punja, of Slough.

Mr K. F. Maitland and Miss R. A. Drummond. The engagement is announced between Robert, youngest son of Mr and Mrs Adam Maitland, of Dundrennan, Dumfriesshire, and Anna, eldest daughter of Mr and Mrs George Drummond, of Glidden, Saskatchewan, Canada.

Mr J. G. Radcliffe and Miss F. H. Thompson. The engagement is announced between John, only son of Mr and Mrs J. G. Radcliffe, of Lower Stanway, Much Wenlock, Shropshire, and Frances, twin daughter of Mr and Mrs E. J. Thompson, of Greenhills, Oakton, Wolverhampton, Staffordshire.

Mr R. L. Richards and Miss L. E. Rathbone. The engagement is announced between Richard, younger son of Mr and Mrs R. L. Richards, of Meltham, West Sussex, and Jacqueline, eldest daughter of Mr and Mrs B. K. Rathbone, of Montevideo, Uruguay.

Churches are united in opposition to Nationality Bill

By Robert Nowell

It is not just from groups concerned with the rights of immigrants that there is strong opposition to the British Nationality Bill published last week. It is also from the British churches, which are showing a remarkable unanimity that spans the ecumenical spectrum. Shock and disappointment was the initial reaction of the community and race relations committee of the British Council of Churches, which expressed the fear that under the Bill Commonwealth citizens settled in Britain might in future lose their civic rights, and found six points in the Bill open to objection.

They are: The division of the citizenship of the United Kingdom and colonies into three; the introduction of a distinction between British citizens "by birth in the United Kingdom" and other British citizens; the removal of the *jus soli* rule, the automatic right of birth in the United Kingdom; the phasing out of registration for Commonwealth citizens settled in Britain; the maintenance of discretionary powers for the exercise of which no explanation need be given;

and the failure to outline the rights of citizens. Those objections have their roots in a document originally issued by the Roman Catholic bishops of England and Wales in July, 1979, a year before the Government published its White Paper outlining the proposals it is intending to make law. That document was subsequently endorsed by the British Council of Churches' executive committee and by the Church of England's board of social responsibility. It provided a rare example of the Roman Catholic hierarchy being the first to articulate the concerns of the entire Christian leadership of this country.

The bishops were concerned to try to establish the new nationality law would have to be worked out and judged. Such a new law "would represent a historic moment when obligations of the past and expectations of the future are crystallized". It would give a new answer to the definition of what it is to be British: "Our conception of who we are will condition the whole future conduct of affairs".

On that basis the bishops put

forward nine points, very few of which are reflected in the proposed Bill. Most of them underlie the British Council of Churches' criticism. Their first point was a call for an explicit recognition of the multicultural nature of British identity.

"Through a long and constant process," British have become irreversibly a multi-racial, multi-cultural society," the bishops wrote.

"Any new nationality law should state as a matter of principle that the nation is multi-racial, thereby avoiding any potentially racialist conception of national identity which could lead to racial discrimination in the law or its interpretation."

The second point provided the key issue on which opposition to the Bill is likely to be fiercest, the principle of *jus soli* that anyone born in Britain should be a British citizen, regardless of race or cultural background.

One can of course see why the Government has decided to tinker with that principle. In an age of easy communication, it is clearly a source of people flying in to have their babies in Britain, in the same way that

cricket-mad parents are said to arrange for the birth to take place in Yorkshire.

But the anomaly of an extremely tiny minority of people who are only, as it were, British by accident hardly justifies tampering with the more general principle. Ultimately, it is the essential link between the individual and the larger human community of the nation that is involved.

As it is under the pressure of successive immigration Acts British nationality law has developed in a way that threatens some people with being left out in the cold. East African Asians have been the most flagrant example.

The fear now is that the law will be codified in such a way as to perpetuate that kind of threat.

If British nationality is made dependent on what is ultimately the arbitrary criterion of having parents deemed to be legitimately settled in this country, that could not merely unsettle some people's allegiance to the nation by making them wonder whether they were really wanted. It could also provide the thin end of the wedge for future manipulation of the

nationality law to restrict the possession of British nationality still further.

It may seem fanciful and far-fetched to quote the example of South Africa. But that country provides an example of how changes in the nationality law can be used drastically to affect people's basic rights. Blacks had few enough rights in South Africa anyway, but they have even fewer as citizens of one of the new bantustans rather than of the Republic of South Africa.

It is unlikely that any future British government would discriminate in such an explicit and overt manner. But as present experience shows, covert and unacknowledged discrimination affecting small minorities is quite possible.

What underlies the churches' concern is a recognition of the fundamental importance of the network of reciprocal obligations that link an individual and the community to which he or she belongs, coupled with a passionate desire to ensure that people are treated as people and not as dispensable objects that can be disposed of when they become seen as a nuisance.

Auction for erotic work by Alma-Tadema found in Oslo

Lost Victorian nude painting reappears

By Geraldine Norman

Sale Room Correspondent: The National Gallery of Oslo has been acting as custodian for about 20 years of an important work by the great Victorian, Sir Lawrence Alma-Tadema, which aroused contemporary controversy for its erotic content.

The painting, entitled *Venus Equitans*, was illustrated by an old reproduction and recorded as lost.

It was not until 1945, however, that it was found. The painting, which was discovered in the attic of a house in Norway, was taken to the National Gallery in Oslo, where it was displayed.

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Stemming the decline of milk consumption

Farming and food

Hugh Clayton

Most people think of milk as a drink which arrives on the doorstep in the morning. In fact, it is a complex product, the production of which involves a great deal of skill and labour.

A growing proportion of the milk consumed in this country is now produced by a few large dairies, which are able to produce milk at a lower cost than smaller dairies.

The British dairy industry has enjoyed years of steadily rising demand. It has naturally been hard for the industry to adjust to the changes in demand.

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Appointments in the Forces

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Colonel J. B. C. Foy, ADC to the Queen, has been appointed to the post of Director of Naval Operations, replacing Admiral Sir John Jellicoe.

Royal Air Force
Air Vice-Marshal Sir John Jellicoe has been appointed to the post of Director of Naval Operations, replacing Admiral Sir John Jellicoe.

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Royal Tank Corps
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Royal Field Artillery
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Royal Mountain Artillery
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Royal Trench Mortar Battery
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Royal Garrison Artillery
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OBITUARY

THE REV H. H. FARMER

Notable theologian and teacher

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Herbert Henry Farmer was born in London on November 27, 1892 and went to Peterhouse as a Scholar from Owens School, Islington. His first class honours in the Moral Sciences Tripos (1914) laid the foundations of his lucid powers of exposition. He was Bursary of the Philosophy of Religion (1916) and read theology at Westminster College in the days of John Oman, John Skinner, Anderson Scott and Carnegie Simpson—four Presbyterian scholars who helped to form his mind in the fields of philosophical theology.

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The Presbyterian Church of England was greatly indebted to Dr Farmer, not only for his 25 years' service in its College, but also for his chairmanship for 15 years. He represented the Church in important Ecumenical conferences at Oxford in 1937 and at Tambaram, Madras in 1938; and he was greatly valued as a preacher and teacher by wide circles in all the Churches. On his retirement in 1960 the Westminster Church in England united with the Congregational Church to form the United Reformed Church.

Farmer was most happily married in 1927 to Gladys Sylvie Offord, and they had two daughters, one of whom was always sure of their friendship; and Farmer's "ghost stories" were regularly in demand as part of the hospitality of their home. On his retirement in 1960 they resided in Hove, but Farmer continued to travel and lecture. *The World of Reconciliation*, an examination of the conflicts within Christianity, appeared in 1967.

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The Presbyterian Church of England was greatly indebted to Dr Farmer, not only for his 25 years' service in its College, but also for his chairmanship for 15 years. He represented the Church in important Ecumenical conferences at Oxford in 1937 and at Tambaram, Madras in 1938; and he was greatly valued as a preacher and teacher by wide circles in all the Churches. On his retirement in 1960 the Westminster Church in England united with the Congregational Church to form the United Reformed Church.

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THE TIMES

BUSINESS NEWS

Economic facts
of life
for Mr Reagan,
page 15

Stock markets	
FT Ind 451.9	FT Gilts 68.05
Sterling	
\$2,393.0	Index 80.0
Dollar	
Index 67.3	DM2.0050
Gold	
\$561.50	
Money	
3mth sterling 14½-14¾	3mth Euro \$ 191-184
6mth Euro \$17½-17¾	Friday's Close

14.5pc drop in volume of rail freight forecast

British Rail's share of the freight business will fall from 20,000 million tonne/kilometres in 1979 to 17,900 million this year and 17,700 million in 1982, a drop over the four years of 14.5 per cent.

According to Cambridge Econometrics, the outlook for road freight is less encouraging. Last year the volume of road freight was estimated to have fallen by 5 per cent from the previous year's record level of 104,600 million tonne/kilometres. In the four years to the end of 1982, the forecasters expect road freight to decline by 8.5 per cent.

Demand for road freight is expected to revive in 1983, but the 1979 level will not be regained until 1989. The figures suggest that for road freight the worst of the recession is over. For rail freight, the key questions are the poor outlook for the steel industry, and whether the National Coal Board can produce more coal to satisfy growing energy demand.

Investment in new road vehicles is expected to fall by 9.3 per cent this year compared with the Cambridge group's forecast of a drop in total industry investment of 7 per cent.

Glaxo redundancies

Management at the Glaxo vaccine plant at Speke industrial estate at Liverpool are to meet union officials this week over their plan to cut 92 jobs which was announced at the weekend. The plant employs 330 staff and redundancies would be spread across the board.

Shares plan attacked

The Burroughs Machines factory in Cumbernauld, which has cut more than 440 jobs, has asked its workers to show faith in the company by buying shares. But union officials at the plant say the scheme is a "sick joke".

Wrong factories

Despite receiving 122 inquiries from industrialists last year, the Inverclyde industrial development unit officer in Greenock—one of Britain's worst unemployment black spots—could not provide premises for six companies, because there were not enough of the right kind of factory.

Spanish finance

The Spanish cabinet has approved a package of measures designed to liberalize further the country's financial system ahead of European Economic Community membership, planned for 1984.

Dearer homes

House prices are likely to rise this year by an average of 15 per cent, according to the Woolwich Building Society. House sales should improve but the effect on prices of increased demand will be cushioned for some time by the backlog of homes already on the market, the society says.

IMF triples loans

The International Monetary Fund last year more than tripled its lending to poor countries to \$9,144m (£3,810m). The total for 1979 was \$2,838m.

\$5m Metro deal

A £5m deal between BL and Granada TV Rentals means that all Granada's fleet of 1,300 Vauxhall cars will be replaced with Mini Metros.

Datapost to Qatar

A new Datapost service to Qatar, beginning today, brings the number of countries linked to the system to 19.

Unions urged to demand £1,000m pension fund backing for industry bank

By David Felton
Labour Reporter

Trade unions should insist that pension funds make available at least £1,000m to a proposed national investment bank to provide capital for manufacturing industry, and should seek 50 per cent representation on the boards of trustees of pension funds.

These recommendations will be put to a special TUC conference on Thursday when more than 100 union delegates will discuss the role of pension funds in economic and industrial policy.

The TUC is confident that the principle of a national investment bank will be accepted by the unions. It was proposed in a note of dissent to the report of the Wilson committee of inquiry into the City and its institutions, and was signed by Sir Harold Wilson and the four union members of his committee.

A policy document produced by TUC staff for Thursday's conference says: "The urgent need for new investment in British industry to meet the competitive challenges of the 1980s cannot be met by conventional means since poor prospects of demand and profitability, together with

high interest rates, prevent finance coming forward."

It says that by 1984 public sector revenue from North Sea oil and gas is expected to reach £15,000m, and it proposes that the Government should contribute £1,000m to the investment bank from those revenues to match the pension funds.

The report says that pension funds' assets have risen from £2,000m in 1957 to about £40,000m now and argue that the increasing importance of the funds has serious implications for the Stock Exchange.

"The Stock Exchange will be dominated more and more by purchases and sales of large blocks of securities between the institutions themselves. This will tend to reduce the ability of individual institutions to exceed the average performance and may lead to greater volatility of share prices," the report says.

The TUC is strongly critical of the rapid increase in institutional involvement in investment and property overseas. It says that in the year to June 1980, after the relaxation of exchange controls, institutions invested £1,400m in overseas company securities, which was more than they invested in United Kingdom securities.

The report stresses that the tripartite nature of the proposed investment bank with the involvement of government, employers' organizations and the unions, would have wider benefits and would assist in meeting the challenges industry will face in the next decade.

The increasing dependence of British industry on external sources of finance will necessitate a widening of the existing tripartite framework of the National Economic Development Council to include the financial institutions.

"The tripartite basis of the bank would provide a firm institutional link between the financial institutions and the investment priorities identified by economic development committees and sector working parties," the TUC says.

On the question of trade union membership of pension funds' boards of trustees, the TUC reiterates its aim of 50 per cent representation and suggests that unions might consider ways of achieving this through collective bargaining.

Private sector urged to buy British

By Bill Johnstone

Sir Derek Ezra, the chairman of the National Coal Board, and Mr Gordon Brunton, managing director of Thomson British Holdings, have privately taken the initiative to encourage leading private sector industrialists to buy British goods whenever possible.

They have been holding a series of informal lunches at the Thomson headquarters since September for leading industrialists and distributors and Whitehall representatives.

Sir Derek stresses that the purpose of the scheme is not to substitute nationalism for the benefits of British suppliers, but to provide an incentive for British industry by evolving a purchasing policy through the private sector which will "get Britain on the move".

His aim is to encourage a change in the purchasing habits of the public sector, the nationalized industries

and the private sector which together had a potential of £50,000m a year.

A present public sector and the nationalized industries selected British goods but the initiative was meant to encourage the private sector to follow their example.

Mr John Biffen, the Secretary of State for Trade, will be the principal guest at the meeting which will take more than 100 industrialists and commercial purchasers will have taken part in four meetings.

Members of the Government, who have included Sir Keith Joseph, the Secretary of State for Industry, Lord Trenchard, Minister of State for Industry, and Sir Geoffrey Howe, the Chancellor of the Exchequer, have been distressed about their presence at the meeting.

The theme of the campaign is consistent with the feelings of the Government which, although not wishing to stifle free enterprise nor wishing to create barriers in retaliation, wishes to use the purchasing power used to benefit its own manufacturers and suppliers.

Fraser board confident of victory

By Philip Robinson

The House of Fraser board is unlikely to get any firm indication of its shareholder support in the battle with Lohr over the D. H. Evans £29m property deal until almost the eleventh hour of the special shareholders' meeting at the Merchants' Hall in Glasgow tomorrow.

When the Clydesdale Bank, Fraser's registrar collecting the proxy votes, closed its doors at 11.30 am yesterday, it had just received a large batch of proxies from Lohr. Fraser's largest shareholder with 45 million votes. The bank said it would take a "very long time" to sort out who has voted for whom.

The last time Lohr attacked the board was three months ago, to get more of its directors on the board and force Fraser to raise the dividend. It took Clydesdale almost 48 hours between the deadline for proxies and the start of the meeting, to count the votes.

At that time 128 million of the total 150 million votes were cast. Such a high percentage poll is not expected this time, but each side sent out three proxy forms giving shareholders the chance to change their mind and a theoretical 900 million proxies to authenticate before votes can be counted.

The Fraser board will be able to test the temperature of the votes today, simply by asking how many of its large institutional holders which account for 40 per cent of the total shares, have cast their votes. But it could be Tuesday morning before firm figures are available.

Before the weekend, Lohr claimed it had the support of 5,000 shareholders (15 million votes) to add to its own giving a total of 60 million. Fraser claimed to have around 63 million.

However, it is understood that Fraser has already compared the state of the current poll with the voting at this stage last time and is fairly confident of winning.

Ford unions set to accept 9.5 pc offer

By David Felton and
R. W. Shakespeare

Union leaders at Ford are expected to tell the management this week that its 9.5 per cent pay offer is acceptable despite some sections of the 57,000-strong manual workforce voting for rejection.

A meeting of workers in the transmission plant at Halewood, Merseyside, which employs 2,000 people, voted on Saturday by a three to one majority for rejection.

The big test of Halewood's traditional militancy will come today when the rest of the 10,000 workers have been called to a meeting to consider their response to what the management has said is its final offer.

Union leaders are awaiting the results of that meeting before deciding whether to notify the company of acceptance. But Mr Ronald Ford, national secretary of the Transport and General Workers Union and the chief negotiator for Ford workers, said the unions would work on the basis of the offer being accepted by the majority of the workforce.

More than 40,000 employees have indicated their acceptance and, in addition to Halewood transmission, only two other plants were marginal. The vote was carried by a very small majority, while Woolwich in south London also rejected the plan.

Escort car production at Halewood has been halted because of a dispute, and with 4,000 workers laid off, this means that a big proportion of the men who are due to take part in today's vote on the pay deal are laid off and losing wages.

The latest troubles began when 38 workers in the paint shop refused to carry out a change in working arrangements involving what the management called "a minor additional task". They went home, and 40 others walked out.

Under Ford's tough new disciplinary procedure, the strikers were told they would be suspended without pay for a full shift.

At nearby Ellesmere Port 7,500 Vauxhall production workers will meet at Transere Rovers football ground tomorrow night to discuss the company's plans for a 20 per cent cut in the labour force at its three plants, including the loss of 2,500 jobs.

Vauxhall's curbed plans have come as a devastating blow to the Ellesmere Port area where the car plant is by far the largest employer.

Local MPs have already demanded talks with senior company management (Vauxhall is owned by General Motors of America). There is also a growing lobby urging the Government to step in and try to persuade the car company to reconsider its plans for the British plants.

However, General Motors seems committed to policies that will concentrate much of its production in other European centres.

£100m jobs plan to aid steel towns

By Peter Hill
Industrial Editor

Investments worth some £100m to provide more than 2,000 jobs in areas hard-hit by steel closures will be announced within the next few weeks. The projects are receiving substantial backing from the European Coal and Steel Community (ECSC) which is planning a loans scheme directed specifically at helping small businesses.

Later this week ECSC officials will consider formally about half a dozen loan applications for United Kingdom projects which have been co-ordinated by BSC (Industry), British Steel's job creation subsidiary.

BSC is ready to embark on a further huge retrenchment involving at least 20,000 redundancies on top of the 50,000 jobs already lost.

The first of two substantial aid projects is expected to be announced early next month. It will involve a £44m total investment by an American-based

micro-electronics company at Newport, South Wales, and will be backed by a £16m ECSC loan. The company expects to employ about 1,300 workers, rising to 1,700 in three years' time and 2,000 by the end of the decade.

The second project under consideration is understood to involve Dunlop, which has embarked on a big rationalization of its United Kingdom activities over the past 18 months. Dunlop is thought to be seeking a £20m ECSC loan to support a £40m-£50m venture which initially would create about 350 jobs.

The company has narrowed down the options for the location of the new plant, which will be engaged in a new process geared to significant reductions in manufacturing costs, to either Bridgend in South Wales, or Corby, Northamptonshire.

So far, BSC (Industry), headed by Sir Charles Villiers, the former steel corporation chairman, has assisted in creating more than 14,000 jobs

in steel closure areas. Company officials believe that by the end of March that level will have been boosted to about 16,000. But the company is faced with more pressure because of renewed cuts in BSC operations under its survival plan.

Later this week the job creation company will begin preliminary studies into alternative employment prospects for workers who are scheduled to lose their jobs at the corporation's Scunthorpe works on south Humberside.

Amid fears that its £20m proposed budget for the new financial year may be reduced because of BSC's rising losses, executives are developing closer links with the ECSC in Luxembourg aimed at tapping extra finance from Europe.

Britain has been a major beneficiary of cheap loans, grants from the Community. Last year it received almost £60 per cent of all ECSC re-conversion loan allocations for new employment in hard-hit steel towns.

Over the weekend, Mr John

Dunbar, chief executive of BSC (Industry) urged companies in those areas to apply for the £14m in training grants available from the European Social Fund.

Meanwhile, the ECSC which previously has negotiated a substantial loan facility with the Industrial and Commercial Finance Corporation acting as its agent, is hoping to launch a new £20m loan scheme geared to the needs of very small businesses.

Officials have been involved in Whitehall discussions on a scheme which would include the main banks, the National Enterprise Board and the Scottish and Welsh Development Agencies.

The idea is that loan facilities would be provided for sums up to £50,000. The ECSC scheme is considered a success. Community officials believe that if agreement can be reached, the new scheme—similar to one being operated in France—would have strong appeal to very small companies.

Inflation accounting deferred

By Philip Robinson

The 45-member Stock Exchange Council is expected to vote tomorrow to put off for a year the requirement that companies must now produce current cost figures to take account of inflation.

Originally, the Council wanted inflation-adjusted figures in half-time and full-year statements this year covering the 1980 trading period.

But a number of private protectionist industries, notably GEC, and the Inland Revenue's statement, last November that tax relief on stock appreciation would not be assessed on a current cost basis, have caused a rethink.

On November 18, the Council approved a wording of rules which would require companies to produce inflation-adjusted figures in their half time statements.

Although it was understood that the rule would have applied immediately, the Stock Exchange issued a statement the next day saying that the plan had been shelved.

In a statement the Exchange said: "The Council has approved the wording of the rule. It has deferred implementing it because of the Inland Revenue's consultative document in order to give companies time to assess the implications."

At that time, requirement for current cost figures for full time statements had already been approved. Now both are expected to be put back and start in 1982 to cover the current trading period.

However, in the City feel that inflation adjustment is essential for a much more significant picture of what is happening to companies during a period of inflation.

Recovery may only be brief, forecast says

By Frances Williams

The economic recovery eagerly expected in recent weeks by the Government may be short-lived, according to a gloomy medium-term forecast from Phillips and Drew, the City stockbrokers, published today.

The forecast says that government policies remain unchanged, unemployment will rise continuously over the next five years and the balance of payments will run into a huge deficit, while the inflation rate will stay in double figures.

The trough of the present recession will be reached in the first half of 1981, with the growth of gross domestic product (G.D.P.) surging after a slow start to between 2 and 2½ per cent in 1982.

But subsequently the annual rate of growth of G.D.P. is expected to decline to a sluggish 1½ per cent between 1983 and 1985.

This will leave G.D.P. in 1985 about 2½ per cent lower than it was six years earlier at its peak in 1979. Manufacturing output may be as much as 10 per cent below the 1979 figure.

Inflation is unlikely to abate significantly and demand will remain depressed because of low export growth, restricted government spending, a slump in investment as a result of the recent severe fall in output, and stagnant consumer spending as real incomes grow only slowly and the savings ratio remains high.

The slow growth in output means a grim prospect for employment, which is expected to rise steadily to top 2.75 million in 1985, excluding school leavers and seasonal adjustments.

Phillips and Drew are more optimistic on unemployment

than most of the other leading economic forecasting organizations, at least in the short term. They expect the adjusted average in 1981 alone to exceed 2.5 million.

The moderation seen in the present wage bargaining round is largely a response to rising unemployment and tight company finances, according to the stockbrokers who believe pressures will weaken once output starts to recover.

As a result, inflation is expected to be well into double figures in the years 1983 to 1985, after dipping below 10 per cent in 1982.

Despite North Sea oil, the balance of payments is predicted to swing into deficit in 1982, as worsening competitiveness and declining markets depress exports and economic recovery stimulates imports.

The current account deficit could average about £2,000m a year between 1983 and 1985. This is likely to weaken the sterling exchange rate.

The forecast envisages that on unchanged policies the public sector borrowing requirement will fall in money terms until 1983, only to rise again rapidly as North Sea oil revenues level off.

The report concludes that the Government may face an overwhelming temptation to adopt a more expansionary fiscal policy in advance of the next election. This course of action is advocated in the latest *Economic Policy Review* published yesterday by the Cambridge Economic Policy Group, whose director is Professor Wynne Godley.

It stated that the developed countries must revert to expansionary policies to combat endemic recession induced by oil price rises.

More power in engineers' council for employers

By Derek Harris
Commercial Editor

Industrial employers have been given more power in a controversial final draft of a charter for the Engineering Employers' Federation (EEF) for engineers.

The new watchdog body is to be called the Engineering Council, and will have a chairman, general secretary and governing council of not more than 20, says the draft by the Department of Industry.

The proposed charter allows the Council to dispense titles like Chartered Engineer (C Eng), Technician Engineer (T Eng) and Engineering Technician (Eng Tech).

But as the Department of Industry admits, the charter is likely to be a controversial one. The power depends on conceding the titles to the Council by the Council of Engineering Institutions (CEI), the profession's present watchdog body.

This is the final key hurdle, now looking increasingly difficult, in a credible launch of the new watchdog body by Sir Keith Joseph, Secretary of State for Industry, who had looked to broad agreement for the new charter by the Engineering Employers' Federation (EEF) and the Confederation of British Industry (CBI). The EEF campaigned for a majority industry representation.

The department obviously hopes it may also have met demands of the profession for strong representation by insisting that two thirds of the council members should be qualified and experienced engineers, whether or not they are employed by the profession. It is unlikely to meet the demands by many in the profession for a greater measure of self-regulation.

Although the 16 institutions which are members of CEI have agreed to support to setting up a new watchdog body there appears to be a growing threat that the smaller institutions may qualify their support.

The attitude of the four larger institutions covering civil, mechanical, electrical and chemical engineering will be critical. With probably less than a fortnight for consultations on this final draft, a meeting of CEI on Thursday could be crucial in deciding whether the profession turns against the new chartered body.

But the Institution of Electrical Engineers (IEE), has been strongly in favour of a new body to supersede CEI. Both CEI and the big four institutions are studying a section of the proposed charter which might lay the basis for the Engineering Council to be tied tightly to Whitehall despite the body being set up under the Privy Council.

Software group chairman resigns

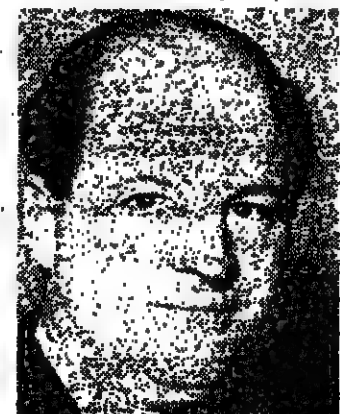
By Kenneth Owen
Technology Editor

Mr Alex d'Agapeyeff, the chairman of the Computer Analysts and Programmers' group which he helped to found in 1962, is to resign to become chief executive of Micro Products, a new independent company which is to take over the microcomputer-related activities of the group.

Mr Barney Gibbons, deputy chairman, will succeed him as chairman of Computer Analysts, whose full company title is CAP-CP.

In recent years Mr d'Agapeyeff has promoted the development of microcomputer software and, in particular, his company's MicroCobol language which can be used on a wide selection of microcomputer hardware.

Its development proved expensive and in the 1979 financial year the group's pre-tax profits slumped to £13,000 from more than £1m the previous year. This was partly because of the long delay in obtaining a return from the MicroCobol investment.



Mr Alex d'Agapeyeff, new company is a logical step.

Mr d'Agapeyeff said then: "I am particularly pleased to see the group's development in the 1979 financial year. The group's pre-tax profits slumped to £13,000 from more than £1m the previous year. This was partly because of the long delay in obtaining a return from the MicroCobol investment."

European doubts on reliability of Russians as suppliers of energy

Western deal on Siberian gas hits problems

A sudden cold snap in the Soviet Union, a squeeze on the profits in West Germany and Mr Ronald Reagan's move to Washington, have combined to cast a cloud over plans for a huge deal that would make Western Europe more dependent on Siberian natural gas.

Negotiations have been under way since last summer to bring 40,000 million cubic metres of natural gas a year for 20 years from the Yamal Peninsula in northern Siberia to western Europe. It would be carried along a 5,000 kilometre pipeline to be built with western equipment, know-how and credits.

Original expectations that the talks would be concluded by the end of last year proved optimistic. Instead Ruhrgas AG—the West German utility which is playing a key role in the negotiations—is reported to expect no result before the end of February at the earliest.

One explanation for the sluggish progress is that the Soviet Union is negotiating with several countries which are interested in buying its gas, whereas in earlier deals of the kind West Germans played the dominant role.

The complex negotiations with gas distribution companies, pipeline and equipment manufacturers and banks in West Germany are made all the more difficult because interests in Austria, Italy, France, Holland and Belgium are involved.

But the delays have also exposed other problems surrounding the planned deal. Earlier this month, the Soviet Union cut back its existing natural gas deliveries.

The cut, which according to Ruhrgas amounted to about one third of contracted amounts, appear to have followed a sudden cold spell in Russia which increased domestic demand on a rather ramshackle pipeline system which serves not just West but main Soviet cities as well.

Although the planned pipeline from Yamal would serve the West only, the news of the cut casts doubts on the reliability of the Russians as suppliers of energy.

The passage of time has not helped the Soviet side in the quest for low cost bank credits to finance the deal. Representatives of a German banking consortium which is negotiating a Deutsche mark 10,000m (£2,000m) credit to finance the purchase of pipeline and compressor equipment meet in Düsseldorf on Thursday for discussions which are expected to centre on the Soviet wish for preferential interest rates.

The attitude of Mr Reagan remains a mystery and that is a potential problem as there is now a strong opposition to the scheme in the United States. President Carter approved deliveries of American gas to help with building the pipeline and so, effectively, disqualified himself from opposing the deal.

Little remains today of the initial euphoria that greeted the prospect of the new East-West "super deal" last summer.

Peter Norman

JOHN GARR (DONCASTER) LIMITED

Joinery Manufacturers
Extracts from the accounts for the year ended 30th September, 1980

	1980 £000's	1979 £000's
Sales to customers (excluding VAT)	22,521	19,900
Earnings before Taxation	3,622	3,189
Taxation	1,623	1,544
Profit after Taxation	1,999	1,645
	p. per share	p. per share
Earnings	9.06	7.48
Ordinary Dividend	2.20	1.86
★★ Eleventh successive year of increased profits.		
★★ Profits increased by 13.6%		
★★ Scrip issue of 1 new share for every 2.		
★★ Dividend increased by 18.3%		
★★ Net Assets exceed £18,000,000.		
★★ Further increase in liquid assets.		

MANAGEMENT

Profiting from the rules of the game

It is hard to believe that all businesses grow or die in accordance with a clearly defined set of business rules. Yet this is the claim of a team of researchers at the Strategic Planning Institute just down the road from Harvard University in the Cambridge suburb of Boston.

They say a business in Birmingham or Bonn will perform the same way as another similarly constituted business in Texas or Tokyo—in spite of the differences in culture and environment and even if they make a different product.

Businesses generally behave in a regular and predictable manner whether they make cars or clothes, fasteners or shoes, because beneath the striking differences they have much more striking similarities.

The common factors which govern this performance, in a rough order of importance, are things like investment intensity, productivity, market share and the pace at which the market is growing. It follows that more about survival looking at a weak number three in another business, than by looking at General Motors—the giant in its own sphere.

Not only does the Strategic

Planning Institute say what these "rules" are; it has also put them to the test in 200 American computer companies, many of which pay \$15,000 (£2,500) or so depending on their size to take part and gain access to the computer model.

It follows that these rules put limits not so much on what management can achieve but on how it reaches its goals. If it takes the right strategic decisions the business will hold its own with any in the world. Management skill and creativity work only if they lead to the right strategic decisions at the right time, and the best manager, proven track record notwithstanding, will come unscathed if he tries to fly in the face of these rules.

SPI's Pims (Profit Impact of Market Strategy) programme is a new kind of information bank of information provided by Pims clients. These include more than 100 of the Fortune 500—America's largest companies—as well as many smaller businesses, including a few from Europe. As many clients have segments which supply data as if they were separate businesses, the total data bank has details on well over 1,500 units.

One gets a clue from the way the institute thinks from

its definition of a business. It is a division, product line or profit centre selling a distinct set of products or services, to an identifiable group of customers, in competition with a well defined set of competitors and for which can be made of separation, operating costs, investments and strategic plans.

The form needed to get this information on each business contains of about 100 items, goes far beyond what is in the annual report and takes about three man-days to supply. However, though time-consuming SPI says it is relatively simple for companies to complete, and the established accounting systems. Because ratios matter more than numbers it can handle different accounting procedures.

Completing the form establishes the characteristics of the market, the state of the competition, the strategy being pursued by the business, and the operating results obtained. The next move is then fairly obvious.

"In essence you compare yourself statistically to a company similar to you," said one user. "It points out your strengths and weaknesses, shows what profits you should be making, and the moves

which have worked for other people." All this smacks very much of the scientific management theories which were first, so fashionable and then so reviled, a few years back. But whereas those suffered by being developed in the academic world and were then transferred, not to say imposed, on business, this came the other way. It had its origins in the American General Electric Company, one of America's most intensively and most successfully managed corporations.

In 1960, Mr Fred Borch, then at the head of General Electric, noticed that the bigger the market share of a particular product, the bigger its profits. He wanted to know if he could apply this rule across the board, and he picked Mr Sidney Schoeffler, a little-known economist from the University of Massachusetts to do the work.

It was Mr Schoeffler who thrashed out the logic, methods and application of the system throughout the 1960s. Only later in 1972 was the programme taken on board by the Harvard Business School where its applications were widened, and the computer work made more sophisticated.

Then perhaps sensing that it

was in danger of becoming an academic toy, Mr Schoeffler took the decision to separate SPI as a non-profit organisation governed by its member companies. That is how it exists today.

In its refined form, the programme helps businessmen answer basic but crucial questions. What profit rate is normal for a given business in its particular market, with its competitive position, technology and cost structure? If the business continues on its present track what will its future operating results be? What strategic changes in the business would bring about a change in these results? Once a strategy is adopted what effects be on profitability and cash flow?

The rules are valid because they have been derived from observing what happens when management does certain things and because the data bank is now large enough to embrace all the possible actions. Knowing what has been tried by others with your problems and what has been known to work is of great benefit to management and that is what Pims tells you.

Anthony Hilton

It is not only production costs that have to be cut in the face of recession. Sir Kenneth Bond, a leading industrialist, argues that in today's conditions there can be no sacred cows: central expenditure (even the audit fee) should come under scrutiny

Keeping the costs of accounting within bounds

Managers engaged in manufacturing industry do not need reminding that their well-being is dependent on the value they give to their customers. And this has to be matched by a determination to ensure they get full value for their own expenditure.

Giving and getting value is what business is really about. When business is bad and prices are being cut, failure to get at least a pound of value out of every pound of expenditure can make the difference between solvency and bankruptcy.

The endeavour to achieve value for money is not restricted to the factory floor but extends to every facet of business, from the cost of engaging employees right through to the costs of the annual general meeting.

There can be no sacred cows in today's conditions. And, in particular, functional services should be screened down even tighter in order to provide a little more for such necessary activities as research and development or production en-

gineering. The questions to be asked are: why do we do this? How much does it cost? And what is it really worth?

It is a salutary exercise for any business to calculate what sales have to be made and how much capital employed merely to make enough money to cover the audit fee. It is also interesting to compare the cost of the audit fee with the dividend. The auditors are there to protect the interests of shareholders. But shareholders should be aware of the price they pay for this protection.

The proper function of company finance departments is to provide accounting services to enable the business to be run smoothly, for money to be collected, for payments to be made, and for all this recorded in such a manner that managers can check whether their expectations are borne out by figures.

But a study of what they actually do will reveal that what managers need in order to perform their tasks properly, efficiently and effectively

accounts for only a part of the total costs they incur. These days, there is a large and growing cost related to externally imposed obligations. The cost of satisfying statutory requirements includes accounting for VAT, for national insurance contributions, for calculating PAYE, for making corporation tax returns, for statistical returns to government departments and so on, not forgetting the need to comply with the Companies Act and the extra obligations imposed by the EEC. Further, there is a growing number of obligations imposed by the Stock Exchange and the accountancy profession.

In this latter category, while the motives may be unquestionable, the way in which these obligations are discharged, and the costs involved, certainly need to be questioned. It is, perhaps, ironic that as profitability has declined, the burdens imposed on manufacturing industry have risen and so has the cost of their fulfilment.

It is right that investors and others should be kept reasonably promptly and accurately informed about the financial affairs of a business, but, all the same, the provision of this information is a cost which has to be measured in terms of value and must be recovered in selling prices. Do those who so readily call for more and more information count the cost of the effect of providing it?

Many managers say that the costs of accounting and audit fees have grown too much for manufacturing industry to bear. Should not the accountants and others listen to them and see what can be done to bring the costs down?

The private sector complains of the bureaucratic practices of the public sector, but it is not slowly but surely being pushed in that direction itself? There never was a more appropriate time for a review of the obligations placed on companies, to consider the costs of them and to quantify their value.

Churning out figures as an end in itself is not going to help produce the wealth the country needs and every pound saved in functional tasks is a pound needed in industry to aid its survival.

Only by constantly challenging what is being done will development of our management and reporting techniques be kept efficient and cost-effective. Let the relevant authorities pay more attention to the managers as to what can and should be afforded, and what cannot.

For example, managers are questioning whether they can afford the expense of current cost accounting. The Inland Revenue has effectively rejected the doctrine for tax purposes and an important reason for its adoption has therefore been eliminated. The Inland Revenue's view of right or wrong in this matter is largely subjective and theoretical; for the competent manager it is a question of what is the cost and what is the benefit.

The author is a chartered accountant and Deputy Managing Director of the General Electric Company.

Development boards for local business

From Mr John Pearce
Sir, John Heddle (January 5) suggests that representation of industry in local government would be greatly improved if more senior businessmen put themselves forward for election to local councils. I feel that the improvement would be marginal for three reasons.

First, your businessmen would have to spend a lot of his time on subjects such as housing, health, amenities, and the like, which are not of direct relevance to the local business community. Secondly, his considerable expertise entirely outside the domestic ratepayer, the majority of whom have jobs and are not intimately concerned with problems of industry, and this will, and does, condition his response. Thirdly, local government has very little money to spend on developing the economy of its area.

Today, central government's job and industry creation departments spread right into the heart of local communities, with considerable duplication of cost and effort, without necessarily providing the right assistance. In Cornwall we have some 40 different bodies concerning themselves with these problems.

The way ahead would appear to be to reduce the extent to which these bodies act locally and to use the

resultant savings in administrative and staff to finance a "local development board". This board would contribute to economic development by helping to allocate priorities for infrastructure development, funding site and factory buildings schemes, marketing agencies, skill development, and the like.

It would consist of representatives from industry and local government, and would determine how the money allocated by central government could be used to further the economic development of the area. This would give local government a forum to keep in touch with the needs of the business community. It would enable the business representative to devote all his time to the economic problems and would result in a much more effective use of the government funds at present available. It would also devolve power from the centre, which should be acceptable to Mr Heddle and his colleagues.

Yours sincerely,
JOHN PEARCE,
President,
Port of Falmouth Chamber of Commerce,
28 Market Street,
Falmouth,
Cornwall.
January 9.

Credit-card surcharge

From Mr A. H. Fell
Sir, I have been following with interest the correspondence regarding surcharges on credit cards. There is another charge which readers who are card users may be unaware of. It is potentially expensive and particularly irritating for being well concealed.

If the card—in this case Visa Barcard—is used overseas (as the card companies are encouraging us to do) then the user will find his account being debited with two rates of exchange, rather than the one which might be reasonably expected. All transactions at seems are reduced to a dollar

figure and then converted to sterling. To illustrate. We bought goods and services in France. Our eventual account showed an unusual rate of exchange and on querying it I learnt that the practice is to convert from franc (or whatever) to dollar, dollar to sterling. Thus you incur a double risk of weak exchange rates and conversion charges.

This is an additional and no where heralded charge. Yours faithfully,
A. H. FELL,
21 Gascoigne Gardens,
Woodford Green,
Essex, IG8 9NT.

Tennis shoe as a Chinese laundry aid

From Miss J. Plimpton
Sir, Mr Dawson (Letters, January 14) is not alone with his Chinese puzzle.

My son's new sleeping bag, manufactured by the Chinese National Native Products and Animal By Products Import and Export Corporation: Shanghai Animal By Products Branch (the bag contains duck down), also has the advice to "comb dry" the down best with a clean tennis shoe.

Yours faithfully,
JOAN PLIMPTON,
70 Pine Hill,
Epsom,
Surrey.
January 14.

From Mr R. W. Prior
Sir, There is no puzzle about using a tennis shoe when drying a down-filled jacket (Mr R. H. Dawson, January 14). I have made several such items of clothing (from kits purchased

Engineers as salesmen

From Mr Hubert Carr
Sir, In his letter (January 9), Mr Wood pinpoints the need for engineer salesmen. As a chartered engineer who has spent some years in technical selling—with success—I am appalled by the technical ignorance and lack of professionalism by many of the sales "reps" with whom I come in contact.

The Finniston report Engineering in the future repeated the complaint by non-technical managers that engineers are not sufficiently commercial. The solution was suggested to lie in academic education rather than in the employer's post-graduate training. However, it is the predominance of non-engineer managers who do not give commercial training to their engineering graduates who have brought about the present sorry state of engineering and British manufacturing industry.

It is just as sensible, and obvious, that every designer should understand the client's requirements, as it is for the salesman to understand his company's technical ability and limitations. Consequently, any company which has backward boys who are not on their sales force is bound to be pushed out of the market place eventually.

Furthermore, a little more respect by managers for the concepts of ethical responsibility towards society which the senior engineering institutions stand for in their royal charters, would result in a substantial lessening of the workload of the consumer protection organizations. And since these are essentially non-destructive, their reduced activity would be a national saving.

Yours faithfully,
HUBERT CARR,
Hubert Carr & Associates,
23, Parkwood Road,
Wimbledon,
London, SW19 7AQ.
January 10.

Public and Educational Appointments

ALSO ON PAGE 8



Applications are invited for the following posts. Applications close on the dates shown. SALARIES (unless otherwise stated) are as follows: Professor \$43,571; Senior Lecturer \$29,753-\$42,851; Lecturer \$21,446-\$32,524. Further details and application forms may be obtained from The Association of Commonwealth Universities, (AUCU), 36 Gordon Square, London WC1H 0PF.

La Trobe University Melbourne
VACCARI CHAIR IN ITALIAN STUDIES
Applications are invited for the Chair of Italian Studies to be established at La Trobe University from the beginning of 1982. The holder will be responsible for the development of Italian studies in the Faculty of Arts and for the coordination of Italian studies in the University.

Applicants should have a PhD or equivalent qualification and have taught and researched in the field of Italian studies for a minimum of five years. The holder will be responsible for the development of Italian studies in the Faculty of Arts and for the coordination of Italian studies in the University.

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have an appropriate higher degree and well have experience in teaching or research and in industry. Applicants with interests in Control Engineering and Computer Science will be preferred but not essential. The successful applicant will be expected to contribute to the research activities of the Department which presently include studies in the following areas: fluid mechanics; applied mechanics; including dynamics and control; manufacturing technology; and engineering design. Detailed information on the teaching and research activities of the Department may be obtained.

Benefits include superannuation, leave for periods of absence, and housing. Salary scale \$21,446-\$32,524. Further details and application forms may be obtained from The Association of Commonwealth Universities, (AUCU), 36 Gordon Square, London WC1H 0PF.

The University of New South Wales, Sydney
LECTURER IN THEORETICAL AND APPLIED MECHANICS
SCHOOL OF MATHEMATICS

Applicants should have a PhD or equivalent qualification and have taught and researched in the field of theoretical and applied mechanics for a minimum of five years. The holder will be responsible for the development of theoretical and applied mechanics in the School of Mathematics and for the coordination of theoretical and applied mechanics in the University.

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THE AUSTRALIAN NATIONAL UNIVERSITY
RESEARCH SCHOOL OF CHEMISTRY
RESEARCH FELLOWS

Applications are invited for appointment as postdoctoral research fellow in the Research School of Chemistry. The successful applicant will be expected to contribute to the research activities of the Department which presently include studies in the following areas: fluid mechanics; applied mechanics; including dynamics and control; manufacturing technology; and engineering design. Detailed information on the teaching and research activities of the Department may be obtained.

Benefits include superannuation, leave for periods of absence, and housing. Salary scale \$21,446-\$32,524. Further details and application forms may be obtained from The Association of Commonwealth Universities, (AUCU), 36 Gordon Square, London WC1H 0PF.

The University of New South Wales, Sydney
LECTURER IN THEORETICAL AND APPLIED MECHANICS
SCHOOL OF MATHEMATICS

Applicants should have a PhD or equivalent qualification and have taught and researched in the field of theoretical and applied mechanics for a minimum of five years. The holder will be responsible for the development of theoretical and applied mechanics in the School of Mathematics and for the coordination of theoretical and applied mechanics in the University.

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THE UNIVERSITY OF NOTTINGHAM

REGISTRAR DESIGNATE
Applications are invited for appointment as Registrar Designate with effect from 1st September 1981. Initially the appointment will be in the vacancy caused by the retirement of the Deputy Registrar, Miss G. M. P. Worley, and the person appointed will become Registrar not later than 1st September 1982 on the retirement of Mr. A. Plumb, the present Registrar.

Extensive experience in University administration will be expected. The initial appointment will be in the Grade IV salary range for University administrative staff.

Forms of application and further particulars, returnable not later than 9th February, 1981, from the Staff Appointments Officer, University of Nottingham, University Park, Nottingham NG7 2RD. Ref. 766.

University of Surrey
Professor and Head of Department of Music
Applications are invited for the Chair of Music and Headship of the Department, which becomes vacant at the end of the present session following the retirement of Professor Smith Brindle from this post to a University Professorship.

The person appointed will be committed to the teaching of music to the highest academic standards and will have a special interest in the development of the Department and the application of modern technology to the reproduction of music. The appointee should have a wide range of musical experience and a commitment to encouraging a high standard of musical performance as well as extending the research activities of the Department.

Salary, in the professional range, will be not less than £14,275 p.a. with USS benefits.

Further particulars may be obtained from the Academic Registrar (LFG), University of Surrey, Guildford, Surrey GU2 5HX or Tel. Guildford 71251 Ext. 616. Applications, in the form of a curriculum vitae, together with the names and addresses of three referees, should be sent to the same address by: 23 February, 1981, quoting reference (17).

University of Exeter
LECTURESHIP IN CLASSICS
Applications are invited for a Lectureship in Classics. The holder will be expected to contribute to the research activities of the Department and to the teaching of Classics to the highest academic standards. The appointee should have a wide range of classical experience and a commitment to encouraging a high standard of classical performance as well as extending the research activities of the Department.

Salary, in the professional range, will be not less than £14,275 p.a. with USS benefits.

Further particulars may be obtained from the Academic Registrar (LFG), University of Exeter, Exeter, Devon EX4 4JL or Tel. Exeter 25311 Ext. 616. Applications, in the form of a curriculum vitae, together with the names and addresses of three referees, should be sent to the same address by: 23 February, 1981, quoting reference (17).

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Salary, in the professional range, will be not less than £14,275 p.a. with USS benefits.

CAMBRIDGE TUTORS
EDUCATIONAL TRUST LTD.

APPOINTMENT OF PRINCIPAL
to take effect from September 1981

CAMBRIDGE TUTORS is one of nine independent Colleges of Further Education recognised as efficient by the D.E.S. for general education and specialises in preparing students for university entrance. The founder of the college intends to retire because of ill health. Salary about £15,000.

Further particulars from:
Secretary,
Cambridge Tutors Educational Trust,
Water Tower Hill, Croydon, CR9 5SX

University of Southampton
CHAIR OF ARCHAEOLOGY
Applications are invited for the Chair of Archaeology which will be vacant in September 1981. The holder will be expected to contribute to the research activities of the Department and to the teaching of Archaeology to the highest academic standards. The appointee should have a wide range of archaeological experience and a commitment to encouraging a high standard of archaeological performance as well as extending the research activities of the Department.

Salary, in the professional range, will be not less than £14,275 p.a. with USS benefits.

Further particulars may be obtained from the Academic Registrar (LFG), University of Southampton, Southampton, Hampshire SO9 5NH or Tel. Southampton 25311 Ext. 616. Applications, in the form of a curriculum vitae, together with the names and addresses of three referees, should be sent to the same address by: 23 February, 1981, quoting reference (17).

University of Exeter
LECTURESHIP IN CLASSICS
Applications are invited for a Lectureship in Classics. The holder will be expected to contribute to the research activities of the Department and to the teaching of Classics to the highest academic standards. The appointee should have a wide range of classical experience and a commitment to encouraging a high standard of classical performance as well as extending the research activities of the Department.

Salary, in the professional range, will be not less than £14,275 p.a. with USS benefits.

Further particulars may be obtained from the Academic Registrar (LFG), University of Exeter, Exeter, Devon EX4 4JL or Tel. Exeter 25311 Ext. 616. Applications, in the form of a curriculum vitae, together with the names and addresses of three referees, should be sent to the same address by: 23 February, 1981, quoting reference (17).

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UNIST
University of Wales

HALLS OF RESIDENCE WARDEN/MANAGER
(Male or female)

with wide administrative, professional, or managerial background. House available or assistance with house purchase.

Salary (under review): £9,220-£11,575 or £11,655-£13,980 according to qualifications and experience.

OPTOMETRY LECTURER
Salary: £5,505-£11,575 (under review)

THE TOP OF THE SCALE IS AVAILABLE FOR OUTSTANDING CANDIDATES

LAW RESEARCH ASSISTANT
In Public International Law or Law of the Sea, Maritime Law or Conflict of Laws.

Salary: £4,795-£6,985 (under review)

Requests (quoting POST and REF T) for details and application form to Personnel Section (Academic), UNIST, Cardiff CF1 3NU.

Closing Dates: Lecturer and Research Assistant—20 February; Warden/Manager—2 March 1981.

University of Durham
LECTURESHIPS IN FRENCH
Applications are invited for two Lectureships in French. The holder will be expected to contribute to the research activities of the Department and to the teaching of French to the highest academic standards. The appointee should have a wide range of French experience and a commitment to encouraging a high standard of French performance as well as extending the research activities of the Department.

Salary, in the professional range, will be not less than £14,275 p.a. with USS benefits.

Further particulars may be obtained from the Academic Registrar (LFG), University of Durham, Durham, Durham County DA1 1TA or Tel. Durham 25311 Ext. 616. Applications, in the form of a curriculum vitae, together with the names and addresses of three referees, should be sent to the same address by: 23 February, 1981, quoting reference (17).

BY THE FINANCIAL EDITOR

International bankers review the damage

For the first time since the Herstatt collapse in 1974, international bankers have started to look more nervously over the last couple of years at the international financial edifice they have constructed, and wondered if it could all fall about their heads.

There was at one stage talk of a major United States bank going under, and while that always seemed rather far-fetched it does now look as though a number of big international banks are losing their appetite for foreign business.

Over the past week there have been a number of developments in the international capital markets which though too small in themselves to trigger off any collapse do illustrate the new, more worrying, dimension to international banking in the 1980s.

Country risk, of course, has always been the bankers' number one headache and yet again they are having to re-schedule its foreign debt. The effect of rising oil prices on many of the less developed countries has also made bankers less enthusiastic about lending there and Brazil has been finding it more difficult to raise money because of its worsening economic problems.

The Massey-Ferguson crisis must also have brought home to its lending bankers the risks of doing business with what used to be thought a blue-chip multinational.

Meanwhile, the transfer of large sums of money to Iran will be a further test of just how well the international financial machine can handle this problem. The banks themselves have shown markedly less concern about the inherent dangers than some of the regulatory authorities.

In its last annual report, for example, the Bank for International Settlements suggested that their relatively good loan-loss experience in recent years has led to a lowering of the banks' perception of the risks involved in their international lending business.

Country authorities are also now trying to get a better feel of their banks' international portfolio risks with various moves for consolidation of accounts to bring their offshore subsidiaries under the same control as the domestic operations.

As it is the strains of the market place are already forcing many of the Eurobanks to draw in their horns.

After their aggressive lending to build up their overseas business in the 1970s, many United States banks are also finding themselves up against country limits. The sheer size of the Opec surpluses, and the amount of liquidity in the banking system, is leading to a false sense of security leaving less room for normal banking prudence.

Takeovers

A bird in the hand

An indication of the frustration and sometimes helplessness felt by company boards during the present recession can be gleaned from the extraordinary way in which a number of recent takeover bids have evolved. Not only are directors finding themselves unable to mount credible defences to bids which they think are manifestly unfair, but in some cases they have even felt themselves bound by their duty to shareholders to recommend such offers.

A clutch of companies in the once prosperous west Midlands have found themselves in this kind of dilemma. Evered, a small loss-making engineer, has recommended acceptance of a 22p a share offer which its board reckons neither fully reflects asset value (probably about 39p) or long-term prospects. A Sheffield toolmaker, Record Ridgeway, facing a 27p a share bid compared with 97p of assets, felt bound to couch its defence in the most negative terms by saying that it could not unreservedly recommend the offer.

A Birmingham motor trader, Colmore Investments, which successfully fended off a bid from T Cowie four years ago, felt morally obliged to tell shareholders that a 30p cash a share bid (against 58p of assets, mostly property) was not unreasonable, although it suggested shareholders would do better to take a long-term view.

Central Manufacturing & Trading, a Black-Country conglomerate, is one of the luckier ones. It has felt able to defend its opportunistic bid from Hanson Trust, worth



Mr Peter Green, chairman of Lloyd's.

effect of giving Lloyd's proposed ruling council a blanket indemnity, for example against court action should a major market dispute occur.

There are other objections of course not least concerning the Fisher Committee's suggestion that insurance brokers should divest themselves of underwriting interests within the market so as to avoid a potential conflict of interests.

Not without good reason, the Lloyd's establishment would like to see discussion of such fundamental issues put back for more leisurely debate, presumably under the aegis of a new ruling council set up under the Act. Certain opponents, however, view matters differently and for whatever reason seem prepared to force the issue by threatening an embarrassing row in the House of Commons. Faced with this prospect, Mr Green does not have too many options; he could attempt to force the Bill through, meet his protagonists head on and attempt to hammer out amendments or withdraw the Bill altogether and have it re-drafted over a longer period.

The last course would be unfortunate in that it could delay much needed reforms at Lloyd's for possibly more than a year.

After all it could be years before Lloyd's gets another chance to change its constitution, and its recent history underlines just how important it is that it should get it right this time.

Roman Eisenstein assesses the wider implications for international borrowing

Lessons of the Massey-Ferguson affair

For years "little grey Fergie", as it was known with affection among Canadian farmers, had been a source of pride to Massey-Ferguson, the troubled farming machinery group.

In its heyday after the last war it was the best tractor ever developed, light, efficient and cheap, the country's equivalent to the Ford "T" car. Its success helped to make the company something of a symbol of business achievement and a national institution in Canada, a country where Massey-Ferguson is based but which accounts for relatively little of its worldwide manufacturing activities.

Under the impetus of Mr Albert Thornborough, the president, who retired in 1976, Massey-Ferguson became the most international of the farm machinery groups.

Today, with sales of some \$2,000m, it trails behind John Deere and International Harvester, its two main rivals are essentially American-based. Massey-Ferguson employs 47,000 people worldwide and runs its operations from 27 factories. Only 6,000 are employed in Canada.

In Britain, the group runs the Perkins diesel engine plant at Peterborough and a tractor factory near Coventry which is the largest in the Western world. There are tractor and also insurance companies in France and Canada as well as a tractor factory in Detroit in the United States.

This international spread explains why some 250 financial institutions, mainly banks but also insurance companies and other lenders, are involved in trying to rescue the group. . . . How many more Masseys are waiting in the wings? This could yet turn out to be one of the key questions facing bankers.

When the crunch came, the ailing group had as much hold on its lenders as they had on the company. As one banker put it: "Insolvency would have been so messy and complex that we had to come to a deal."

What this illustrates is the difficulty involved in handling the financial commitments of the multinational company, today's dominant form of business enterprise. Such a company carries activities so far-ranging across international borders and with integrated operations that it is almost impossible to keep track of its financial dealings. Because of its size it often carries national implications for the countries in which it operates.

They were always in the minds of the bankers who met at the Dorchester Hotel, London, last week. "We had very little choice in the end," said one. And not only bankers were involved. Authorities from France, Italy, Britain and other countries were behind the scenes pressing for an arrangement.

This is really why Massey-Ferguson escaped the fate that would certainly have befallen

The diversification and poor economic conditions for the farm machinery business sealed the fate of the group. It had to go to its bankers for help. In doing so it produced a business plan which might work. As Mr Vince Laurence, vice-president of the group put it to shareholders last November, the company has to concentrate on its "core business" of farm machinery and sell most of the rest. The plan has apparently convinced the bankers that it can work.

The package worked out last week affects all the lenders equally. Each lender will convert 22 1/2 per cent of its interest into shares regardless of the rate of interest or the size of the loan. This will raise £520m.

Britain's Export Credits Guarantee Department (ECGD) is guaranteeing £300m in new shares. The Canadian Imperial Bank, the group's largest creditor, will convert £150m of debt into Massey-Ferguson shares. Finally, the Canadian government is expected to guarantee £520m of new shares to be issued in Canada.

Formal agreement has yet to be worked out with each individual lender. Only 50 institutions were represented at the Dorchester talks and although many stood in on behalf of others, full detailed agreements have yet to be signed and this could take another few months.

The most important lesson to be learnt from this affair is the difficulty in dealing with a multinational borrower that gets into trouble. As one of the participants at last week's meetings put it: "How many more Masseys are waiting in the wings?" In a more difficult decade for business this could yet turn out to be one of the more important questions facing bankers.

Caroline Atkinson

The economic facts of life that face Mr Reagan

Washington

Republicans liked to boast after the United States election that the new Reagan administration would "fix the economy" within months, usually changes dramatically even when he stays in office. It is clear that Mr Reagan will want to change this budget significantly himself. But whether he likes it or not, it sets the framework for his decisions on tax and spending policy and, together with the President's economic report, gives a detailed picture of the state of the economy as the new administration takes office.

It is not a very cheerful one. The economy is expected to grow by only 1.7 per cent this year, with all that growth concentrated in the second half of the year. This is below the potential growth rate and so despite marginal improvements in productivity, unemployment is forecast to rise from its present rate of 7.4 per cent of the work force to about 7.7 per cent by the end of this year.

In spite of this second year of economic growth, the national product (gdp) fell in 1980 by an estimated 0.3 per cent. Inflation is projected to stay at about last year's 10 per cent underlying rate. A sharp rise in Organisation of Petroleum Exporting Countries (Opec) oil prices or the faster decontrol of domestic oil prices promised by Mr Reagan, would add to that.

The budget itself is responsible for some of the disappointing growth projections. It is in the words of Mr Charles Schultz, President Carter's chief economic adviser, "a tight budget aimed at fighting inflation". On a high employment basis, that is after correcting for the effect of recession on spending and tax revenues, the budget "shifts very sharply towards

restraint", he said, with a swing equal to about 1 per cent of gdp.

Non-defence spending drops by about 0.2 per cent in real terms, after a 0.5 per cent cut this financial year.

The Carter Administration claims that any less restrictive budget would ensure higher interest rates—because it would conflict with the Federal Reserve Board's tight money policy—and would also risk more inflation.

Some people may not agree with that, but Mr Reagan is unlikely to want to "produce a larger budget deficit than his predecessor whom he accused of excessive spending and borrowing. The financial markets, which the new President would like to please are anyway already signalling that they want restraint."

But the President-elect said on the day of Mr Carter's budget that he will scrap the legislated tax increases which it proposes, while he is committed to large tax cuts of his own. These will probably only come into effect some time in the middle of this year, once they have passed scrutiny on Capitol Hill.

Their cost in the 1981 financial year will thus be rather small. But by the following year—that is the one at which last week's budget was drawn

up—this will have risen to a huge \$65,000m (£28,000m) or 870,000m, or close to 10 per cent of total tax revenues.

With no spending reductions the budget deficit would swell to \$100,000m in the 1982 fiscal year (October 1981 to September 1982) the first full financial year of the Reagan administration. Hence the somewhat feverish search now underway in the Reagan economic camp for ways of curbing spending.

The 25 per cent or so of spending which President Carter planned for defence is safe from the axe. A further 10 per cent is to go on servicing the national debt, and 9 per cent on non-defence spending resulting from earlier contracts and obligations. The former, at any rate, cannot be cut quickly unless interest rates fall. President Carter estimated that more than three-quarters of the budget spending is "relatively uncontrollable", and that figure only includes part of defence spending.

But it does cover all the present "entitlement" programmes such as pensions, unemployment benefits, medical care for the old, for those claiming the United States equivalent of supplementary

Among these, more than a fifth of the 1982 spending in Mr Carter's budget is planned to

go on retirement pensions. This programme has to grow in real terms just to maintain the same level of benefits for old age pensioners as there is an increasing number of retired people. It would be extremely unpopular politically—and therefore probably impossible—to cut into it to any extent.

Mr Reagan is more likely to try to chip away at the \$10,000m food stamp programme, the \$7,500m aid for dependent families (the principal welfare programme for poor families), unemployment benefits and the Medicaid programmes by narrowing eligibility for the benefits. Mr Stockman is willing to take on other entrenched interests and fight, for example, to reduce the space budget, cut back on cheap loans for rural energy projects and to lower the grants which the federal government makes to the state and local governments.

An amalgam of all these and much more would be needed to produce the \$60,000m to \$80,000m shown necessary on the outgoing Administration's figures, to hold the deficit and cut taxes as much as promised.

Business Diary profile: Concorde five years on

Five years ago this Wednesday, on January 21, 1976, Concorde of British Airways and Air France made carefully synchronized simultaneous take-offs from Heathrow and Charles de Gaulle airports to usher in the age of the supersonic airline. Will Concorde be around to celebrate its tenth birthday? There are many in the aviation industry who have serious doubts.

That moment of life-off five years ago was surrounded by euphoria, a condition from which the great white bird has suffered ever since the agreement to build it was signed between the governments of Britain and France as long ago as 1962.



Concorde: the thirsty Sir John King, the incoming chairman of British Airways.

There were world headlines, television showed the scene in London and Paris on split screens, and a children's entertainer from the West Country travelled on the BA flight wearing a space suit.

Half a decade later, the verdict on Concorde in service with the two airlines which had to buy it because their governments had spent between some £2,000m on its development must be that it has been a technical triumph, but an economic disaster.

Like many things in life, Concorde seemed a good idea at the time. What the ministers could not see when they signed their agreements almost 20 years ago was that their dream of a network of supersonic routes across the aviation world, and shrinking it to half its size with speeds of up to 1,350 mph, would be overtaken by three important factors.

These were escalation of the cost of fuel, the worldwide en-

vironmental lobby which precluded Concorde from flying over almost every country at supersonic speed, thus producing the sonic boom, and the arrival with the jumbo jet in the early 1970s of the era of cheap, mass travel.

The oil crisis proved to be Concorde's biggest bogey. Although neither the manufacturers nor the airlines will give figures, the aircraft is generally accepted as a "gas-guzzler" extraordinary, using as much kerosene to streak across the Atlantic carrying 100 passengers as a Boeing 747 uses carrying 450. When Concorde was conceived, fuel was being virtually given away at 10 cents a gallon. The price now averages a dollar.

Aversion to being "boomed" from on high produced a series of uneconomic dog-legs in Concorde's flight paths as the air-

craft twisted and turned to keep its policy track over water or those handful of countries whose governments decided their populations should stand by the strain.

BA is now left with routes between London and New York and London-Washington—the extension of the latter under a lease deal with Braniff International to Dallas having also been quietly dropped because of fuel costs—while Air France flies Concorde to Rio de Janeiro, Caracas, New York, Washington and Mexico City.

The British airline carried 94,536 passengers on its two remaining supersonic routes in 1980, 1,539 up on the previous year, and says it makes an operating profit on New York, London-Washington routes which the design of the aircraft was originally tailored.

Not that such profits will make the airline's balance-sheet look much better, for in February 1979, in return for being allowed to write off £150m as the cost of buying Concorde and spares, BA had to agree to pay to the Government 80 per cent of any future operating surpluses.

Concorde to go quietly away, taking its financial embarrassments with it.

Sir John King, chairman of Babcock International, who takes over the chairmanship of BA on February 1 as Mrs Thatcher's nominee, will examine the Concorde figures minutely.

Could it be conceivable that he will display a complete absence of sentiment and cannot resist his remit to drag BA back on financial course? (The airline forecasts a loss of £100m for 1980-81.)

Air France remains far more bullish towards supersonic aviation and has been known to refer to Concorde in its annual report as "this magnificent machine". The French see it as a repository of national glory and engineering skill (very few people in the Paris street are aware that the British had a half-share in its manufacture), but even Air France, which carried 82,500 passengers on supersonic services last year, has to lean heavily on its government to keep services going.

Concorde's future thus looks extremely clouded, but there is a little time yet to pay the first-class fare plus 15 per cent for the undeniable thrill of watching the "speedometer" inside the cabin indicate twice the speed of sound, or to join the crowds of schoolchildren of all ages which gather at airports whenever this beautiful, controversial and ruinously expensive airliner appears.

Arthur Reed

The Wolverhampton & Dudley Breweries, Limited

Mr E. J. Thompson reports on another record year

"Against a national background of falling volume we have continued to increase our sales of draught beer, turnover being up by 12.5% and profit before taxation up 10.9%."

Expansion Capital expenditure of over £12 million has been invested in our public houses over the last five years. A new house was opened on 12th December and two more will open during 1981.

Prospects We have made a satisfactory start to the current year and remain vigilant to minimize the effects of rising costs while maintaining the high quality of our products and efficiency of our operations.

Results in brief to 30th September - £'000s					
	1980	1979	1978	1977	1976
Turnover	63,403	56,368	48,886	41,762	34,857
Profit before taxation	9,054	8,167	6,997	5,664	5,103
Earnings per share*	17.3p	16.9p	13.6p	16.7p	9.5p
Ordinary dividend per share*	5.00p	4.25p	3.28p	2.87p	2.57p

*Adjusted for 1-for-1 capitalization issue in June 1980

TRADITIONAL DRAUGHT BEERS

FINANCIAL NEWS

Data processing gives boost to IBM sales

By Our Financial Staff

International Business Machines, the giant American computer group, saw a 22.3 per cent increase in its fourth quarter income after tax, to \$1,233m (£515m) in the final months of 1980, aided by \$36m of exchange gains, and changes in its tax provisions.

These figures were better than expected. IBM's net income for the full year to December 31 is 18.3 per cent higher at \$3,562m (equivalent to £1,489m at current rates of exchange). Exchange gains across the year came to \$24m. Sales of data processing equipment were better in the fourth quarter than the group had expected and helped sales up 48.7m to \$3,746m while a similar rise in income from rental and service agreements brought the fourth quarter's total gross income up 14.3 per cent to \$7,805m (£3,262m). Full-year gross income was \$26,213m (£10,954m), against \$22,863m, with just over two-fifths coming from rental and service contracts.

In December the group announced price increases of up to 8 per cent on its rental and lease agreements, and up to 5 per cent on equipment prices, in an attempt to improve its margins, which inflation has whittled down.

Earnings per share in 1980 were \$6.10 (255p), against \$5.16, with fourth quarter earnings 22

per cent up at \$2.11 (88p) per share.

Earlier this month the European Commission formally objected to IBM's business practices in Europe, where the group dominates the computing equipment field. IBM has two months in which to reply.

Taylor Woodrow in joint venture

Taylor Woodrow-Santa Fe, a joint venture company 50 per cent owned by civil engineering group Taylor Woodrow, has won contracts from the Gas Council to design, build and operate two platform-mounted drilling rigs and their support modules, for the Rough offshore gas field.

Mr Taylor Woodrow's joint partner in the company is Santa Fe-Pomeroy Services.

United Spring says profits on wane

The chairman of the United Spring and Steel Group, Mr David Westwood, warns shareholders in his annual statement that first half profits to end-March this year are on the wane with no sign of the recession easing.

The group traditionally makes the bulk of its profits in the first half, so Mr Westwood's warning that interim profits are unlikely to be "appreciable" may bode ill for the full year to September 30. In 1979-80 the group made £1.34m pretax.

Acorn's liquidation nears completion

Acorn Securities, the first of the split-capital trusts to be wound up, now has the results of its complicated liquidation scheme.

Acceptances of its proposals have come out with 76 per cent of the capital shares being exchanged for units in the Britannia Shield Trust, with holders of 3.5 per cent opting for shares in the London and Liverpool Trust, and the rest taking 133p in cash per share, after allowing 5p a share for capital gains tax liabilities.

Just over 90 per cent of the income shares are being cashed in, with the remainder being swapped for shares in the London and Liverpool Trust. Capital shareholders taking cash or Britannia units may get an extra liquidation distribution of 5p a share later.

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Trusthouse Forte may disappoint

Last week's full-year figures from Grand Metropolitan made impressive reading during a week when the market continued its descent after even more gloomy economic news.

The market seems to be looking for something along the same lines when Trusthouse Forte reports later this week as its shares were up at the end of last week. However, some observers expect the results to be a disappointment.

Other notables reporting include the Rank Organisation, Gesteimer and Tate & Lyle.

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pool. Such a closure has been on the cards for quite some time.

So once again the bulk of the group's profits will come from the commodity side, which will have benefited greatly from the buoyant sugar price.

However, the balance sheet will have a depleted look following the £22m loss from reserves for the disposal of its sugar and glucose interests.

A maintained dividend of 5.7p gross is expected, and while sugar prices in the current year have trailed off, the sale of its three remaining shares for £1m will give the figures an added boost.

The failure to diversify into the plain paper copier market quick enough, and the strength

of sterling, will be likely to make a dent in the full-year figures from Rank and Gesteimer on Thursday.

Analysts predict a downturn of £15m to £115m in the profits of Rank, while Gesteimer is expected to shed £15m to £17.5m. Despite this both groups should maintain their dividends, which last year stood at 8.5p in the case of Rank, and 3.2p for Gesteimer.

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In the UK market sales have shown only a slight increase over the corresponding period.

As a result extra costs will have squeezed margins still further and little relief is likely to be forthcoming in the current year.

Today: Interims: Cray Electronics, Estates Property Invest, G. T. Japan Inv Tst, Howard Shuttering (Hidgs), Peerless, Resmor Group, David S. Smith (Hidgs), Westpool Inv Tst, Finals: Alexanders Discount, Great Northern Inv Tst, Meggit Hldgs.

Tomorrow: Interims: Avenue Close, Group Investors, Palmerston Invest Tst, Property Security Tst (Amended), Wellman Eng Corp, Finsale: Borman Engineers, Countryside Props, Dunbar and Co, Leda Inv Tst, Trident Television.

Wednesday: Interims: Ashley Indl Tst, James Austin Steel Hldgs, Marler Estates, New Witwaterland Gold Ex, Exploration, Stirling Knitting Grp, Symonds Engineering, Finals: Albion, Anglia Television Grp, Camford Engineering, Lookers, Trusthouse Forte, Union Discount, Vogelstein Hldgs, Metal, Warner Estate Hldgs.

Thursday: Interims: W. G. Allen and Sons (Tipton), Samuel Heath and Sons, J. Saville Gordon Grp, Finals: Derby Tst, East Daggafontein Mines, Gesteimer Hldgs, A. Kershaw and Sons, Lincroft Kilgus Grp, Y. E. L. Hldgs, Rank Organisation, Rank Precision Inds, R. Smallshaw (Knitwear), South African Land and Exploration, Southval Hldgs, Tate and Lyle, United States and General Tst Corp, Valspar Exploration and Mining, Watson and Philip, Western Deep Levels, Whelings.

Friday: Interims: J. and J. Dyson, Burt Boulton, Finals: None announced.

Other notables reporting include the Rank Organisation, Gesteimer and Tate & Lyle.

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Bright spots among the gloomy forecasts

The latest batch of brokers' circulars hardly makes cheerful reading, with Fielding News-Smith forecasting a fall in institutional investment this year—the first decline in 12 years—and Phillips & Drew saying that low growth and high inflation could conspire for up to four more years.

There are a few bright spots, however, with special situations

Brokers' views

and selected food, chemical and energy stocks all attracting buy recommendations.

Uranium stocks are worth a careful flutter, according to James Capel in its latest *World Energy Review*, with Energy Resources Australia cited as the best long-term investment. But holders of Pancontinental Mining should take the chance to sell when it gets the go-ahead to develop Australian deposits, according to analyst Mr David Sheridan. RTZ is another long-term investment on his list as soon as the uranium market improves.

Capel's Mr Richard Krigsmann expects Lasmo to do well, and he also likes Weeks Petroleum, Coalite, Petrofina and the American group Sohio.

De Zoete & Bevan's chemical analysts, which British group are recommending clients to sell shares in Hickson & Welch, which recently announced a 20 per cent fall in pretax profits to £6.48m for 1979-80, the de Zoete tax is looking for a flat first half and no more than £5.6m for the full year.

Fisons and Allied Colloids are also on the De Zoete sell list, but Coalite, Croda, BTR, Brent and ICI are all listed as buys. Croda, Brent and ICI are all expected to show some improvement this year after poorer figures for 1980.

W. Greenwell has come out with a survey of the United Kingdom composite insurance groups and the North American insurers, which British group are moving into more and more.

With the risk of underwriting losses in the American auto mobile insurance market this year, Mr Roger Harvey is wary of General Accident's performance, which he still likes the group, over the long term.

United and Royal Insurance should now be in line for recovery buying, he argues, but with the Royal Insurance right issue proving something of a damper on the sector, he recommends waiting a while before buying them.

Mr Neil Scourse of Fielding News-Smith likes the look of some of the smaller brewers, in spite of the difficulties over shadowing the industry.

Marston, Thompson is described as attractive for the longer term round the top level, and Greenall Whitley is expected to hold up better than most.

Bernard Matthews and Ranks/Hovis McDougall are recommended by Sheffield broker J. W. Nicholson & Sons and Capel-Cure Myers respectively.

Feather & Boyle has been looking at the clearing bank and concludes that Barclay and Lloyds are worth buying.

Midland and National Westminster Bank shares are not expected to perform as well.

Catherine Gunn

Business appointments

Norcross names its new chairman

Mr J. V. Sheffield, the chairman of Norcross, will retire from the board in July when Mr W. K. Roberts, the managing director, will succeed him as chairman and chief executive.

Meanwhile, Mr Roberts has become deputy chairman and chief executive. Mr J. L. C. Sheffield will become non-executive deputy chairman in July. Mr J. E. Hopkins goes on to the board of Norcross from January 15 as managing director (UK). Mr T. C. F. Simpson becomes managing director (International) and will continue to carry out duties of finance director until a successor has been appointed to the board.

Mr Peter B. Fisher is now group company secretary and financial controller of Aero Needles Group.

Mr R. V. Stasworthy and Mr C. M. Webster have become directors of Highgate & Job Group.

Mr P. R. Armitage has joined the board of Associated Paper Industries as a non-executive director.

Mr T. L. Farrell and Mr T. R. Condon have been made joint managing directors of F. W. Kn-

inmonth, the marine broking subsidiary of the Kilmunth Insurance Group.

Mr R. L. Griffiths has become managing director of the consultancy company ISOL.

Mr Richard Lawley has gone on to the board of Tillinghast, Nelson & Warren.

Mr Adrian Taunton is now managing director of Mills & Allen.

Mr Martin Rosenhead has become chairman of Nabell. Mr John D'Arcy has been made managing director and Mr Peter Coventry joins the board as financial director.

Lord Roberts of Widdingham has joined the board of AMI (Europe).

Mr David R. Stevens, managing director of Drayton Montagu Portfolios Management, has been made chairman and managing director.

Mr W. Major has become a general manager of European Arab Bank London.

Mr Douglas Wilson has gone on to the board of Baxters.

Mr David Easson has become an additional non-executive director of Roche Plant Group.

Paul Bion has become managing director of LegAbas.

Mr Mervyn C. Griffiths is now

a director of Alliance Building Society.

Gloomy future for tanker trade

Issues are blighted by unsold offerings

Why the price of tin is so important to the next pact

lower sector of M\$1,815, the manager must buy in; in the middle sector of M\$1,815 to M\$1,980, he cannot move without the council's permission; in the upper sector of M\$1,980 to M\$2,145, he must sell. This means the manager cannot support the market until the price reaches M\$1,815, or about £5,640 at current exchange rates. No wonder, therefore, that sentiment has turned bearish and now sees

North American grain has been fairly brisk over the past week

Lower grain rates may well be around for a few weeks as there is a plentiful supply of tonnage in the Atlantic despite a sizable volume being held up at Hampton Roads and other

ports for coal cargoes. To Europe a 60,000 tonne secured \$21 a ton for a trip to Ghent in late January which represents no change. Eastern fixtures are also holding steady. Among other voyag

business interest in coal and sugar featured particularly.

David Robinson

Commodities

That said, there is still wide spread hope that an accommodation with the United States will be reached. If not, a sixth agreement will proceed.

without the world's biggest
consumer, despite its threat
unloading some 35,000 tons
from the GSA stockpile ov

the next three years. But the essential point remains: Will the tin price be when the final details of the pact are being hammered out? Can effective pricing mechanism devised in a "free fall" market?

● A warning shot has been fired across the bows of the wire use American commodity markets to generate tax loss. After earlier mutterings from the Internal Revenue Service

Michael P.
Commodities Correspondent

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\$ Forward bargains are permitted on two previous days

(Current market price multiplied by the number of shares in issue for the stock quoted)

فَكَذَّبَ مِنَ الْأَوَّلِ

